

Saginaw Intermediate School District 403(b) and 457 Collaboration

Request for Proposal (RFP)

INVITATION TO BID

Proposal: A Third Party Administrator able to provide plan installation services and compliance services as specified in the attached document. A list of potential districts that are interested in this Request for Proposal is listed in **Attachment A**. Each District will select their own vendor based on their District's requirements of a Third Party Administrator. After bids have been received a District may determine that in the best interest of their District they may reject all bids, or due to economies of scale several Districts may join together and select one Third Party Administrator. Saginaw Intermediate School District also reserves the right to accept or reject any or all proposals, either in whole or in part; to award services to other than the low submitter; to waive any irregularities and/or informalities; and in general to make awards in any manner deemed to be in the best interest of the District and/or other participating Districts.

Due Date and Place: January 31, 2008 **Attn: Sally Peterson – 403(b) and 457 Collaboration**
9:00 A.M.
Saginaw Intermediate School District
Board Room 2
6235 Gratiot
Saginaw, MI 48638

It is the sole responsibility of the vendor to ensure that the bids are delivered to Saginaw Intermediate School District by the stated date and time.

Inquiries: Sally Peterson, Director of Finance and Business Operations
Telephone: 989-249-8737

Bid Document: All bids must be submitted on the Bid Response Form (**Attachment B**) and must be signed by an authorized representative of the vendor. Bids not submitted on the Bid Response Form or bids not signed and/or dated will NOT be considered and will be determined to be a non-bid.

Envelopes: Marked sealed envelope: **403(b) Collaboration. NO E-MAILS OR FAXES** will be accepted.

Withdrawal: No proposal may be withdrawn for a period of ninety (90) days after public opening.

All bid proposals are to meet the minimum specifications indicated on the following pages.

Affidavit of Bidder: All bids are required to be accompanied by a sworn and notarized Affidavit of Bidder disclosing any familial relationship that exists between the owner or any employee of the bidder and any member of the Saginaw Intermediate School Board. Any bid that does not include the sworn and notarized Affidavit of Bidder will not be accepted (pursuant to MCL 380.1267(3)(d)) in **Attachment C**.

Right to Reject: We reserve the right to accept or reject your proposal, waive any irregularities therein, and to award the order to other than the low bidder in the best interest of the Saginaw Intermediate School District and the participating Districts.

NOTE: BIDDER MUST USE THE BID DOCUMENT PROPOSAL FORMS FURNISHED BY THE SAGINAW INTERMEDIATE SCHOOL DISTRICT, AS NONE OTHER WILL BE ACCEPTED.

The DISTRICT reserves the right to retain all proposals submitted and to use any ideas in the proposal regardless of whether that proposal is selected.

Sally Peterson_____

Director of Finance and Business Operations

January 11, 2008_____

Date

SP

01/11/2008

Saginaw Intermediate School District 403(b) Collaboration

Request for Proposal (RFP)

I. Introduction

Due to the release of the final regulations on 403(b) Tax-Sheltered Annuity Plans in 2007, Saginaw Intermediate School District (SISD), on behalf of a collaboration of several school districts in the State of Michigan, is requesting proposals from retirement plan administration firms to provide administration and recordkeeping services for its 403(b) and 457 retirement plans. These school districts are looking for a company who can help them manage their additional administration and compliance responsibilities created by these final regulations.

Description of Saginaw Intermediate School District 403(b) collaboration

Attached is a list of the school districts that make up this collaboration for purposes of this RFP in **Attachment A**. This list includes the school district's name, the number of 403(b) and 457 vendors they are currently using and the current number of staff currently participating in the 403(b) and 457 plans. Please be aware the numbers included on this list are only the current vendors and participants of each District listed. This number is subject to change at any time and each District may choose to limit the number of vendors involved once this service goes into place.

The collaboration has joined together for purposes of preparing this RFP only. At this point, each individual District will be making their own decisions for choosing a third party administrator for their own 403(b) and 457 plans. Each individual District will also have the choice of which and the number of vendors to use. Any decision by the various school districts to join together for purposes of hiring a plan administrator for cost savings or other benefits will not be made until after all of the proposals are received. As such, responses to this RFP should include pricing information that would clearly state any cost savings to the districts based on the number of participants in the plan.

After the bid responses have been received each District will be responsible for making their own third party administrator decisions, including, but not limited to, deciding not to move forward. SISD and each of the other Districts participating in this collaboration reserve the right to negotiate an agreement or agreements with a specified vendor. SISD and each of the other Districts participating in this collaboration reserves the right to accept or reject any or all proposals, either in whole or in part; to award services to other than the low submitter; to waive any

irregularities and/or informalities; and in general to make awards in any manner deemed to be in the best interest of the District and/or other participating Districts.

Firms submitting proposals are to disclose subcontracting of any portion of the engagement to other firms. If subcontracting is proposed, that fact, and the name of the proposed subcontracting firms, must be clearly identified in the proposal. Following the award of the contract, no additional subcontracting will be allowed without the expressed prior written consent of SISD and/or other participating Districts.

The term DISTRICT used in this document will refer to Saginaw Intermediate School District and all participating Districts in this collaboration.

II. Nature of Services Required

The DISTRICT desires to have a firm provide all the necessary functions involved in administering their 403(b) and 457 plans within the regulations issued by the Internal Revenue Service (IRS) and the Department of Labor (DOL). This would include all current regulations and any future changes to or interpretations issued of such regulations. These compliance services would include, but are not limited to the following items:

- Common remitting of all employee contributions within the deadlines established by the IRS regulations. Please also indicate the anticipated timing of how soon employee contributions will be remitted to the various vendors after they are received by the TPA from the DISTRICT.
- Compliance assessment and monitoring of all approved providers and related products.
- Monitoring of all employee contribution limits, including any applicable catch-up contribution limits.
- Monitoring of all rollovers and/or transfers within the plan.
- Hardship distribution approval and notification of the related employee contributions suspension.
- Distribution approval.
- Required minimum distribution notification and calculations.
- Loan approval and monitoring.
- Any required plan reporting such as participant statements and census preparation.
- Any discrimination or compliance testing required by the regulations.
- Any required filings as required by the IRS or DOL, such as Form 1099, Form 945, Form 5500 etc.

The DISTRICT also desires that the firm selected will be able to provide plan installation services which would include the following items:

- 403(b) and 457 plan documents that are fully compliant with the current IRS & DOL regulations
- Summary Plan Description
- Adoption agreement
- Service and investment provider agreements
- Salary reduction agreements and other required transaction forms
- All required notices to employees to satisfy the universal availability rules
- Plan sponsor administrative and compliance procedures manual
- Summary Annual Report, as required

Please also include a description of how the firm monitors ongoing changes to the applicable regulations and how this information is relayed to the DISTRICT so that plan documents are kept fully compliant with the most recent standards.

III. Content of Proposal

The purpose of the proposal is to demonstrate the qualifications, competence, experience, and capability of the firm seeking to undertake this request for proposal. As such, the substance of the proposals will carry more weight than their form or manner of presentation. The proposal should demonstrate the capabilities of the firm to provide the services outlined in Section II. The proposal should be prepared simply and economically, providing a straightforward, concise description of the firm's capabilities to satisfy the requirements of the RFP. While additional data may be presented, the following subjects must be included. They represent the criteria against which the proposal will be evaluated.

- a. Firm demographics and history –State a brief description of the size and history of the firm. It should state the key individual contacts who would be involved in providing the requested services to The DISTRICT, including their qualifications and backgrounds in this area. Please also include whether or not the firm is subject to any current or past litigation and whether the firm has insurance coverage for errors and omissions.
- b. Experience –State the firm's experience in providing the services being requested in this RFP. This would include a list of references of plan sponsors for which you currently provide similar services.
- c. Conflicts of interest –Indicate any potential conflicts of interest that exist in regard to their ability to respond to this RFP or provide the services requested herewith. In addition, the company must complete the Affidavit of Bidder form attached to this RFP.

- d. Pricing –the proposal must contain all pricing information relative to providing the services requested in this RFP. This must include any per participant fees and/or annual fees that will be charged. The proposal must also include the time frame for how long these fees are guaranteed. This time period must be no shorter than 90 days. Any cost savings that could be generated based on the number of participants in a given program should be clearly stated.
- e. Technology –Include any information on how technology will be used to provide the services requested as well as how it will help the DISTRICT monitor plan activities as required by IRS and DOL regulations. This would include a description of any internet access of account information available to plan participants.
- f. All bidders must respond to the Substantive Questions for Request for Proposal for 403(b) and 457 Plan Administration/Investment/Record Keeping Services Vendor in **Attachment D**. These questions are in addition to any information requested in this document.

Please also include in the proposal, all information which the DISTRICT will be required to provide you in order to perform the services we have requested. This would include any information required on a monthly or annual basis. Please include the format and methods by which this information can be submitted to the TPA.

Please be advised that any firms wishing to be considered to perform these TPA services cannot be involved in any other aspect of the 403(b) or 457 plans, such as serving as a vendor or providing investment advisor services.

IV. Proposal preparation and submission procedures

There is no expressed or implied obligation for the DISTRICT to reimburse firms for any expense incurred in preparing proposals in response to this RFP. Submission of a proposal indicates acceptance by the firm of the conditions contained in this RFP unless clearly and specifically noted in the submitted proposal and as confirmed in the written contract between the DISTRICT and the selected firm.

Questions in regard to this RFP should be submitted to Sally Peterson of Saginaw Intermediate School District in writing. No questions will be accepted after January 25, 2008.

To be considered, a master and 20 copies of the proposal must be submitted via sealed bid by January 31, 2008 to Sally Peterson at the following address.

Sally Peterson, Director of Finance and Business Operations
Saginaw Intermediate School District

6235 Gratiot
Saginaw, MI 48638
Phone #989-249-8737

Please be advised that faxed or e-mailed proposal will NOT be accepted.

The DISTRICT reserves the right to reject any or all proposals submitted after the prescribed time.

The DISTRICT reserves the right to retain all proposals submitted and to use any ideas in the proposal regardless of whether that proposal is selected.

V. Evaluation process

The proposals submitted will be evaluated by a committee. The proposal should address all the requirements outlined in the RFP and demonstrate the qualifications of the firm and should specify the approach that will be used to meet the request for proposal requirements. The committee members will review the proposals based on the following criteria and the responses to the Substantive Questions:

- a) Past experience and performance on comparable projects
- b) The capacity of the firm to provide the services outlined in the RFP within the timeframe outlined
- c) The proposed total cost for services
- d) Any other information deemed relevant by the committee

During the evaluation process, The DISTRICT reserves the right, where it may serve in their best interest, to request additional information or clarification from firms submitting proposals, or to allow correction of errors or omissions. At the discretion of the DISTRICT, firms submitting proposals may be asked for a face-to-face

conference as part of the evaluation process. Not all firms submitting a proposal will be asked to participate in such a conference.

It is anticipated that a firm will be selected no later than May 1, 2008 by each individual District. Following notification of the firm, it is expected a contract will be executed between both parties at a date determined by the individual Districts but in no case later than January 1, 2009.

In that the selected firm will be required to assume responsibility for all services offered in their proposal, The DISTRICT will consider the selected firm to be the sole point of contact with regard to any subcontractors. In connection with the performance of work under a contract with The DISTRICT, the contractor must agree not to discriminate against employees or applicants for employment on the basis of race, religion, color, national origin, or disability.

Thank you for your time and interest in responding to this request for proposal.

ATTACHMENT A

**403(B) AND 457 PLAN COLLABORATION
AS OF 1/11/08**

District	No. of vendors	No. of staff
Akron-Fairgrove	4	22
AuGres	11	20
Bad Axe Public Schools	13	71
Bath	8	41
Bay Arenac ISD	7	110
Bay City Schools	30	550
Beaverton	4	96
Birch Run	12	90
Bridgeport-Spalding	15	120
Buena Vista	8	45
Bullock Creek	5	89
Caro	11	96
Carrollton	14	75
Caseville Public Schools	5	16
Cass City	4	143
Chesaning	14	78
Clare	8	90
Clare-Gladwin RESD	8	39
Clinton County RESA	6	33
Coleman	6	38
Dewitt	8	179
EPBP Lakers School	6	46
Farwell Area Schools	7	63
Fowler	4	43
Freeland	10	72
Gladwin	7	94
Harbor Beach	7	28

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Harrison	12	78
Hemlock	11	97
Huron ISD	12	48
Kingston	7	45
Mayville	10	56
Millington	11	91
North Huron School	4	24
Ovid-Elsie	16	102
Owendale Gagetown	4	17
PewamoWestphalia	10	30
Port Hope	2	2
Reese	5	61
Saginaw City	21	747
Saginaw ISD	24	119
Saginaw Township	8	231
St. Charles	11	63
St. Johns	15	120
Standish-Sterling	5	200
Swan Valley	15	107
Tuscola ISD	10	102
Ubly	6	33
Unionville-Sebewaing	11	48
Vassar	4	99
GRAND TOTAL	476	4,907

ATTACHMENT B

**Code §403(b) and 457 Plan
Administration/Investment/Record Keeping**

BID RESPONSE FORM

COMPANY NAME

ADDRESS

PHONE NUMBER

FAX NUMBER

E-MAIL ADDRESS

CONTACT PERSON/TITLE

We propose to furnish and deliver Code §403(b) Plan Administration/Investment/Record Keeping services for the Saginaw Intermediate School District and other participating districts within this collaboration in accordance with the specifications of the services proposed.

AUTHORIZED SIGNATURE

TITLE

DATE

ATTACHMENT C
AFFIDAVIT OF BIDDER

The undersigned, the owner or authorized officer of _____ (the "Bidder"), pursuant to the familial disclosure requirement provided in the Saginaw Intermediate School District and any participating School District (the "District") advertisement for bids, hereby represent and warrant, except as provided below, that no familial relationships exist between the owner(s) or any employee of _____ (the "Bidder") and any member of the Board of Education of the School District or the Superintendent of the School District.

List any Familial Relationship:

BIDDER: _____

By: _____

Its: _____

STATE OF MICHIGAN)
)ss.
County of _____)

This instrument was acknowledged before me on the _____ day of _____, 2008, by _____.

_____, Notary
Public
_____, County, Michigan
My commission Expires : _____
Acting in the County of: _____

ATTACHMENT D

SUBSTANTIVE QUESTIONS For REQUEST FOR PROPOSAL FOR 403(B) PLAN ADMINISTRATION/INVESTMENT/RECORD KEEPING SERVICES VENDOR

INVESTMENT INFORMATION

1. Do you offer participants access to investment education information? If so, please describe. What charge, if any, is there for these services?
2. Is any charge imposed upon participants for transferring funds between investment options? Please explain.

RECORD KEEPING INFORMATION

1. Please provide sample participant enrollment materials with your current vendors. What services does your company provide in connection with enrollment meetings? What charge, if any, is there for these services?
2. Please provide sample participant statements. How frequently are participant statements provided to the employee? Is there a charge for providing participant statements?
3. Is your company capable of receiving deferrals electronically? What charge, if any, is there for these services?
4. Do you require that districts use your company as a common remitter as a condition of providing administrative services in connection with a District's 403(b) plan? What charge, if any, is there for these services?
5. As to Districts for which your company acts as a common remitter, what is the time interval between your company's receipt of contributions from the District and transfer of those contributions to the designated investment provider(s)?
6. How will your company monitor all approved providers and related products? What charge, if any, is there for this service?
7. What does your company do to monitor adherence to deferral limits by participants? What charge, if any, is there for these services?

8. Do you provide assistance to participants in determining the maximum amount which may be deferred to the 403(b) plan for each plan year? If so, what services are provided? What charge, if any, is there for these services?
9. What measures does your company take to assure that participants do not defer more than the maximum amount permitted by Internal Revenue Code? What charge, if any, is there for these services?
10. What does your company do to assure the return of excess deferrals to participants and to provide tax reporting as to the return of excess deferrals? What charge, if any, is there for these services?
11. Do you provide plan loan administration services? If so, what is the nature and the cost of these services? As part of these services, do you notify the plan sponsor of loans which have become delinquent?
12. Do you provide hardship distribution administration services including notification of the related employee contributions suspension? If so, what is the nature and the cost of these services?
13. Do you provide distribution administrative services (including required minimum distributions, eligible rollover distributions and plan-to-plan transfers)? If so, what is the nature and cost of those services?
14. Do you provide administrative services in connection with rollovers from other qualified plans and IRAs? If so, what is the nature and cost of these services?
15. Do you provide administrative services in connection with transfers from a participant's account to a governmental defined benefit plan for the purpose of purchasing service credit in that plan? If so, what is the nature and the cost of these services?
16. Does your company use participant information obtained in connection with performing administrative services for 403(b) and 457 plans for non-plan administration purposes? Please explain.
17. Does your company perform any discrimination or compliance testing required by the regulations? If so, what is the nature and the cost of these services?
18. Does your company prepare any required filings as required by the Internal Revenue Service of Department of Labor, such as Form 1099, Form 945, Form 5500, etc. If so, what is the nature and the cost of these services?
19. What charges do you impose for record keeping services?

20. Describe any other applicable charges or fees not previously addressed.

LEGAL CONSIDERATION

1. Do you carry errors and omissions insurance which would cover your activities in connection with the District? If so, please provide a copy of the policy which provides this protection.
2. Are all persons who handle plan assets on behalf of your company bonded? If so, provide copies of any such bonds.
3. Please provide a copy of each applicable written procedure that demonstrates each custodial account or other contract (trust) meets applicable requirements of the Internal Revenue Code.
4. Please provide a description of how your company monitors ongoing changes to applicable regulations and how this information is relayed to the District so that plan documents are kept fully compliant with the most recent standards. If so, what is the nature and the cost of these services?

GENERAL CONSIDERATIONS

1. Please provide references from other public school clients, including a contact person and telephone number.
2. Are your fees based upon any minimum participant count, per account dollar value or total investment dollar value? If so, what is the impact of failure to meet any such minimums?
3. Are you willing to work with an employer-designed plan document, Vendor agreement, and information sharing agreement? If so, do you impose any additional charges for doing so?
4. Is your company willing to ensure that the Agreement Between _____ District and the Authorized Annuity Sales Agency of Authorized Custodial Account Representative is signed by all 403(b) and 457 vendors that each District approves as a vendor for their District in **Attachment E** if the District requests it? If not, please describe why.

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5. Do you provide plan documents that are fully compliant with the current Internal Revenue Service and Department of Labor regulations, summary plan descriptions, Vendor agreement, information sharing agreements, salary reduction agreements and other required transaction forms, all required notices to employees to satisfy the universal availability rules, plan sponsor administrative and compliance procedures manual and summary annual report as required? Do you work with District's to determine the best course of action for the District? If so, what is the nature and the cost of these services?
6. Do you subcontract any of your services to any other entity? If so, please describe the subcontracted services and identify the entity or entities which act as the subcontractors.
7. In the event the district decides to cease its relationship with your company, is any discontinuance charge imposed? If so, please describe.
8. In the event that the District decides to cease its relationship with your company, how will the participant data maintained by your company be provided to the district and/or a successor service provider? What data will be made available upon cessation of the business relationship between your company and the District? In what form will such data be made available? Is any additional charge imposed for providing such data? If so, how is the charge determined?

ATTACHMENT E

AGREEMENT
BETWEEN

_____DISTRICT
AND
AUTHORIZED ANNUITY SALES AGENCY
OR
AUTHORIZED CUSTODIAL ACCOUNT REPRESENTATIVE

The _____DISTRICT agrees to authorize the
_____ (hereinafter "the agency") to be the sales
agency for the following annuity company or custodial account sponsor:

This authorization allows said agency the right to sell to employees of the
_____DISTRICT, annuity contracts or custodial
accounts authorized pursuant to Internal Revenue Code of 1986, as amended
(hereinafter "Code") Section 403(b) (or corresponding provisions of future tax laws) if
said agency agrees to, and continues to, meet the following conditions:

1. If the agency represents a custodial account sponsor, the representative shall supply a copy of each applicable written custodial account agreement which demonstrates to the satisfaction of the _____DISTRICT that each such custodial account agreement meets the applicable requirements of Internal Revenue Code Sections 401(f)(2) and 403(b) and 457. If the assets are not held by a bank, the agency shall supply written proof that the person holding the assets has demonstrated to the satisfaction of the Secretary of Treasury that such person will hold assets in a manner which is consistent with the requirements applicable to tax sheltered custodial accounts.
2. The agency shall supply a written opinion letter from each applicable custodial account sponsor's legal counsel that the custodial account is tax-qualified pursuant to the provisions of 403(b) and 457 and specifically that the custodial account has been designed to only provide for investment in regulated investment company stock. The agency shall supply a copy of each applicable annuity contract and a written opinion letter from each applicable annuity contract sponsor's legal counsel that the annuity contract is nontransferable as provided in Code Section 401(g) and that it complies with the requirements of Code Section 403(b).

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3. The agency shall indemnify and hold the _____DISTRICT, the _____DISTRICT'S Board of Education members collectively and individually, and the administration and its agents and employees, harmless in any case involving the misrepresentation, mishandling or theft or loss of employees' money by the agency or its sales agents. The agency shall annually provide a fiduciary bond in the amount of ten percent (10%) of the total aggregate assets handled by it in order to protect the employees and the _____DISTRICT from misrepresentation, mishandling, theft or loss of employees' money. The bond shall only be required if assets are not transmitted directly from _____DISTRICT to the annuity company or custodial account sponsor.

4. The _____DISTRICT shall have no duty and shall have no responsibility relating to calculation of the maximum amount of annual additions that can be made to an employee's annuity or custodial account pursuant to Internal Revenue Code Section 415. The responsibility for calculating annual additions is with the agency and the employee as set forth in this paragraph 4. Subject to the provisions of paragraph 6 below, the agency shall at least annually prepare a written calculation for each employee who has purchased an annuity contract or custodial account through the agency, based on data supplied by the employee, of the maximum amount of annual additions that may be contributed to such employee's annuity contract or custodial account pursuant to Code Section 415. The agency shall provide each employee and _____DISTRICT with a written copy of such calculations in the format approved by _____DISTRICT. All references in this paragraph to existing Code Section provisions shall be deemed to include references to applicable future Code Section provisions. If, as the result of (a) an error in calculating Code Section 415 compensation, or (b) a reasonable error in calculating elective deferrals that may be made with respect to any individual under Code Section 415, or (c) other facts and circumstances under applicable IRS guidance, there is an amount in excess of the annual addition limitation, the agency will work with the annuity contract sponsor or custodial account sponsor to have the excess disposed of as follows. Elective deferrals in excess of the annual addition limitation, and gains attributable to such elective deferrals, shall be distributed from the annuity contract or custodial account by the applicable fund sponsor to the employee. These distributed or returned amounts are disregarded for purposes of Code Section 402(g).

If not returned, the agency shall take full responsibility for (i) reporting contributions and income attributable thereto which exceed the annual additions limitation to the Internal Revenue Service, and (ii) providing employees with appropriate Internal Revenue Service forms.

5. The _____DISTRICT shall have no duty and shall have no responsibility for determining the amount of elective deferrals that an employee may contribute to a tax-sheltered annuity or custodial account. The responsibility for determining the proper amount of elective deferrals is with the agency and the employee as set forth in this paragraph 5. Subject to the provisions of paragraph 6 below, no representative of an agency shall execute a tax sheltered annuity or custodial account purchase agreement (compensation reduction agreement) for a calendar year unless the agency prepares at least annually and delivers a written calculation (in the format approved by the Employer) to the employee and _____DISTRICT which demonstrates that the employee is entitled to the elective deferral amount (whether pre-tax, Roth or both) set forth in the proposed annuity or custodial account purchase agreement pursuant to the provisions of Code Section 402(g) and that the total amount of contributions (including pre-tax and Roth elective deferrals) will not cause the Section 415 annual addition limitation as described in paragraph 4 above to be exceeded. All references in this paragraph to existing Code Section provisions shall be deemed to include references to applicable future Code Section provisions.
6. In the event that the employee elects to make a "catch-up" deferral pursuant to Code Section 414(v), the agency shall provide documentation to the _____DISTRICT demonstrating that the employee is entitled to make the Code Section 414(v) "catch-up" deferral in the amount elected. Such Code Section 414(v) "catch-up" deferral may be made only after any available "catch-up" deferral under Code Section 402(g)(7) is exhausted. A Code Section 414(v) "catch-up" deferral by an eligible employee shall not be counted for the purpose of (i) determining whether the Code Section 415(c) annual addition limit has been exceeded as described in paragraph 4 above, or (ii) determining whether the Code Section 402(g) elective deferral limitation has been exceeded as described in paragraph 5 above.

7. The agency agrees to compel the annuity contract sponsor or custodial account sponsor to return excess elective deferrals (and income attributable thereto) to affected employees in the time and manner provided for in Internal Revenue Code Section 402(g) (or corresponding provisions of future tax laws). In general, an excess deferral (and the income attributable thereto) must be returned to the affected employee by April 15th of the calendar year following the calendar year in which the excess deferral was made. In addition, the agency shall take full responsibility for insuring that either the agency or the applicable annuity company, or custodial account sponsor shall (i) report each excess deferral (and income attributable thereto) on the applicable Internal Revenue Service form; (ii) file such form with the Internal Revenue Service in a timely manner; and (iii) provide such form to the employee in a timely manner.

8. The agency agrees that, as to sales to employees under this Agreement, it will comply with the requirements of Treas. Reg. §1.403(b)-8(c)(2), including the prohibition upon use of incidental life insurance contracts issued on or after September 24, 2007 as investments under a Code §403(b) plan. The agency further agrees that, on and after September 25, 2007, it will not receive, from any employee covered by this Agreement, a contract exchange for investment with any annuity company or custodial account sponsor for which it is not authorized to act as a sales agent under this Agreement. The agency further agrees that any contract exchange received from any employee covered by this Agreement will comply with the requirements of Treas. Reg. §1.403(b)-10(b) and the requirements of paragraph 9 below.

9. As to any contract exchange received from any employee covered by this Agreement, the Agency agrees as follows:

A. The Agency will share with the _____DISTRICT or the _____District's designee no less frequently than as of December 31st of each Plan Year that the Agency continues to hold the Contract described above and within seven (7) business days of written request by the _____DISTRICT or its designee, the following information:

1. Information necessary for the Contract, or any other contract to which contributions have been made by the _____DISTRICT, to satisfy Code §403(b) and 457, including information concerning the Participant's employment and information that takes into account other Code §403(b) or 457 contracts or qualified employer plans (such as whether a severance from employment has occurred for purposes of the distribution restrictions in Treas. Reg. §1.403(b)-6 and whether the hardship withdrawal rules of Treas. Reg. §1.403(b)-6(d)(2) are satisfied);

2. Information necessary for the Contract, or any other contract to which contributions have been made by the _____DISTRICT, to satisfy other tax requirements (such as whether a plan loan satisfies the conditions in Code §72(p)(1)); and

3. Such other information as the _____DISTRICT and/or the Internal Revenue Service shall deem necessary to assure compliance by the Contract and the Plan with the requirements of Code §403(b) and 457 and the regulations thereunder.

B. The Agency represents and warrants that any employee covered by this Agreement (or his/her beneficiary) will have an accumulated benefit after the contract exchange that is at least equal to the accumulated benefit of that employee (or beneficiary) immediately before the exchange (taking into account the accumulated benefit of that employee or beneficiary under both Code §403(b) and 457 contracts immediately before the exchange).

C. The Agency represents and warrants that the contract which will be received on behalf of the employee (or beneficiary) in the exchange is subject to distribution restrictions with respect to the

employee that are not less stringent than those imposed on the contract being exchanged.

10. The agency agrees that it shall provide to the _____DISTRICT or the _____DISTRICT's designee, any information reasonably deemed necessary by the _____DISTRICT for administration of the _____DISTRICT Tax-Sheltered Annuity Plan, including, but not limited to any information pertinent to compliance with the requirements of Code §403(b) or the regulations thereunder. The agency also agrees that it shall report to the _____DISTRICT or the _____DISTRICT's designee, within 7 business days of receipt of the request, any request received by the agency (or an annuity company or custodial account sponsor for which the agency acts as a sales agent) from an employee for a plan loan, hardship distribution or distribution based on severance from employment with the _____DISTRICT. The agency further agrees that it shall notify the _____DISTRICT or the _____DISTRICT's designee, within 10 business days of receipt of the request, of any request for approval of a domestic relations order pertaining to an employee as a qualified domestic relations order.

11. The agency shall indemnify and hold the _____DISTRICT, the _____DISTRICT's Board of Education members collectively and individually, and the administration and its agents and employees, harmless in any case, matter or proceeding involving or relating to alleged adverse tax consequences affecting any tax sheltered annuity or custodial account sold by the agency, including but not limited to, any case, matter or proceeding in which it is alleged that there was failure to calculate or improper calculation of the permissible limitations under current Code Sections 403(b), 402(g), 414(v) or 415 or under corresponding provisions of future tax laws; or any case, matter or proceeding wherein it is alleged that an employee had more than one agreement in effect in a taxable year ending prior to the 1996 year pursuant to Code Section 403(b); or any case, matter or proceeding wherein it is alleged that excess deferrals were not properly reported to the Internal Revenue Service or returned to the employee as provided in Code Section 402(g) (or corresponding provisions of future tax laws). Without limiting

the foregoing, the indemnification shall encompass any claims brought by employees relating to adverse tax consequences incurred by them. For purposes of calculating the above limitations, all custodial accounts and tax-sheltered annuities maintained for an employee shall be aggregated as provided under the Internal Revenue Code.

12. In addition to the fiduciary bond described in paragraph 3, the agency shall annually show proof of errors and omissions insurance of at least one million (\$1,000,000) Dollars to the _____DISTRICT on each salesperson representing said agency in the _____DISTRICT as well as on the agency.
13. The agency shall provide to the _____DISTRICT an updated list if additional salespersons are to be authorized to represent said agency, and proof of meeting requirements of paragraphs 3 and 9 of this Agreement.
14. The parties agree that any breach of the above conditions shall make this authorization null and void and shall preclude the agency from selling any further contracts or accepting any new contributions for any existing contracts at _____DISTRICT. Either party may terminate this Agreement at any time and for any reason upon sixty (60) days written notice to the other party. This Agreement cannot be modified or amended except in a written agreement executed by both the agency and _____DISTRICT. This condition may not be waived.

Authorized Representative of Agency
Employee

Authorized School _____DISTRICT

Dated:_____

Dated:_____