

# Our performance standards

Prepared for: The City of Foster City

Prepared by: VALIC

June 30, 2017

VALIC's philosophy is to have highly satisfied plan participants and plan sponsors. We believe in providing our clients with the utmost in products, services, and client satisfaction. To that end, we have agreed to the following standards with the City of Foster City (COFC).

## I. Participant Service Standards

<b>Standard</b>	<b>Guarantee</b>
<b>A.</b> Answer telephone calls to Client Care Center within 90 seconds 90% of the time.	<b>For the period from 4/1/2017 – 6/30/2017, 96.09% of all calls were answered within 90 seconds, within the standard of 90 seconds.</b>
<b>B.</b> Mail participant statements within 10 business days after quarter-end.	<b>2<sup>nd</sup> quarter 2017 participant statements were mailed by April 11, 2017, within 10 business days after quarter-end standard.</b>
<b>C.</b> Provide website with customized landing page and hot link between COFC and VALIC websites. Provide participant communication advertising site content and ways to access	<b>Completed</b>
<b>D.</b> Process investment fund transfers and contribution reconciliation and posting within one business day effective with the market date of good order receipt.	<b>Contributions in good order were processed within VALIC standard of before 3:00 PM CST Monday through Friday (not including designated holidays)</b>
<b>E.</b> Process hardship distributions, rollover requests, in-service distributions, retiree distribution requests within 5 working days of receipt of acceptable documentation.	<b>All distribution requests were processed within VALIC Standard of 2-3 business days.</b>
<b>F.</b> Process all SDBA transfers within (3) business days.	<b>All SDBA transfers were processed in (3) business days.</b>
<b>G.</b> Provide mutually agreeable number of educational seminars annually to participants, offering distinctive programs to employees and retirees.	<b>VALIC will offer four educational seminars to COFC employees and retirees.</b>
<b>H.</b> Provide communication to plan participants describing investment advice services and access.	<b>Guided Portfolio Services campaign will mailed July 2017 to the participants.</b>

I. Encrypt all laptops and remote computers carrying Foster City participant information. Provide notification to COFC within 24 hours of our knowledge of any compromise. Provide written quarterly reports on any compromise of data that occurs.	<b>All laptops and remote computers carrying Foster City participant information are encrypted to ensure the protection of all plan information. There has not been any compromise of data to date.</b>
J. Recommend, in writing, steps VALIC and COFC may take to communicate and coordinate information regarding how participants can coordinate the benefits of a 457b savings plan with the defined benefits offered through COFC.	<b>VALIC will provide in 4th quarter.</b>
K. Provide quarterly newsletters to plan participants regarding plan benefits/issues.	<b>Provided in Quarterly Statements.</b>
L. Provide representative on site for mutually agreeable number of days per month to meet with plan participants.	<b>COFC works with Geoff Akers on agreeable days to meet with plan participants.</b>

## II. Plan Sponsor Service Standards

<b>Standard</b>	
<b>A.</b> Review plan documents for legal, legislative compliance, identify policy issues between employer and provider and summarize, in writing, any recommended changes to documents.	<b>VALIC will review for the November 14, 2017 meeting.</b>
<b>B.</b> Review investment policy and summarize, in writing, any recommended changes.	<b>VALIC will review for the August 8, 2017 meeting.</b>
<b>C.</b> Review Education policy and summarize, in writing any recommended changes.	<b>VALIC will review for the May 9, 2017 meeting.</b>
<b>D.</b> Provide plan for ongoing participant communication utilizing internet educational resources (e.g. internet or computer based training).	<b>Developed Communication and Education Plan for ongoing participant communication.</b>
<b>E.</b> Provide operational reports on a monthly basis accessible to administrative staff via Plan Sponsor Online portal within 30 days of month-	<b>The following operational reports are available via Plan Sponsor Online website on a monthly basis and within the 30 days of month-</b>

end.	<b>end standard:</b> <ul style="list-style-type: none"> <li>▪ Contribution Report</li> <li>▪ Distribution Report</li> <li>▪ Fund Activity Report</li> <li>▪ Loan Summary Report</li> <li>▪ Separation Report</li> </ul>
F. Provide annual plan review comparing COFC Plan with other VALIC Plans which recap prior year information and written plan addressing strategy for upcoming year (plan/participant enhancement services).	<b>Annual Review will be provided at the November 14, 2017 meeting.</b>
G. Conduct training of employer-designated personnel on access to online reports and use of reporting capability.	<b>Ongoing training by Relationship Manager to designated personnel when needed.</b>
H. Draft and distribute participant survey. Analyze survey results; provide executive summary and recommended actions. The first survey is to be completed by August 2016. If COFC considers the survey results to be below standard, VALIC will repeat the survey at six month intervals until adequate satisfaction is reported. Survey results will average Satisfactory or Above. Surveys will also be conducted in 2018, 2019 and 2020.	<b>Survey results will be presented at the August 24, 2018 meeting.</b>
I. Provide quarterly training and education program to decision makers and administrative staff on mutually agreeable topics. Schedule and content to be agreed-upon with staff and consultant.	<b>May 9, 2017 – Understanding Morning Star</b>
J. Provide training to all decision-makers and administrative staff on 404(c) requirements.	<b>Provided at May 11, 2015 meeting.</b>
J. Develop, schedule, and deliver new decision-maker training for employer identified new Committee members or administrative staff on as needed basis.	<b>Relationship Manager will deliver new decision-maker training to identified new Committee members or administrative staff on as needed basis.</b>
K. Provide web site copy listing final	<b>Completed and provided to COFC.</b>

agreed-upon Performance Standards/Guarantees and supply copies to the employer for distribution.	
<b>L.</b> Provide annual written summary report of all Performance Standards/Guarantees and present results along with any suggested modifications or enhancements to the Performance Standards/Guarantees to the Committee. Post the summary report on the custom website.	<b>Will be provided to COFC at the February 2018 meeting.</b>
<b>M.</b> Upon termination of our contract with COFC, VALIC will provide participant data including: 1) last four quarters of transaction reports, 2) current account balances, 3) past 12 months distribution and deferral information and 4) loan or other outstanding payment amounts. VALIC will provide the data to the successor record keeper via FTP protocol or encrypted on CD within 30 business days after termination, or on a timeframe mutually agreed to with the successor vendor.	<b>\$1,000 for failure to provide the data within agreed upon timeframe and \$500 for each additional day delay.</b>
<b>N.</b> Upon termination, any solicitation and/or sale of any product to plan participants will be strictly prohibited.	<b>\$5,000 per occurrence.</b>

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