

# Our performance standards

Prepared for: The City of Foster City

Prepared by: VALIC

March 2014

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 1/1/2014 – 3/31/14, 100% of all calls were answered within 90 seconds, within the standard of 90 seconds 90% of the time.</b>
<b>B.</b> Mail participant statements within 10 business days after quarter-end.	<b>1st quarter 2014 participant statements were mailed by April 13, 2014, 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 communication advertising site content and ways to access	<b>Completed March 31, 2011. Communication was sent out to participants in October 2011.</b>
<b>D.</b> Process investment fund transfers and contribution 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 acceptable documentation.	<b>All distribution requests were processed within VALIC Standard of 2-3 business days.</b>
<b>F.</b> Provide mutually agreeable number of educational seminars annually to participants, offering distinctive programs to employees and retirees.	<b>Meeting to be scheduled with COFC to present educational and communication plan for 2014. Will continue to partnership with COFC as is pertains to on-site visits, workshops and campaigns.</b>
<b>G.</b> Provide quarterly newsletters to plan participants regarding plan benefits and/or topical issues.	<b>Provided in Quarterly Statements.</b>
<b>I.</b> Provide communication to plan participants describing investment advice services and access.	<b>Guided Portfolio Services campaign materials were mailed to the participants February 17, 2012.</b>
<b>J.</b> Encrypt all laptops and remote	<b>All laptops and remote computers</b>

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>carrying Foster City participant information are encrypted to ensure the protection of all plan information. There has not been any comprise of data to date.</b>
<b>K.</b> Recommend, in writing, steps VALIC and COFC may take to communicate and coordinate information regarding defined benefits offered through COFC.	<b>Presentation given by VALIC at the May 14, 2013, quarterly meeting.</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>The Deferred Compensation Plan Document was restated on December 6, 2011, to meet legislative requirements to comply in form with the Pension Protection Act (PPA) of 2006, Heroes Earning Assistance and Relief Tax Act of 2008 (HEART Act), and the Worker, Retiree, and Employer Recovery Act of 2008 (WRERA). On an ongoing basis, VALIC Legal team monitors any legislative changes and updates the plan document accordingly. Employer is notified of the changes and updated plan document is provided for signature.</b>
<b>B.</b> Review investment policy and summarize, in writing, any recommended changes.	<b>Investment Policy was finalized on December 9, 2011. SST and VALIC reviewed the funds and recommend changes at the February 12, 2013, meeting. Fund changes were effective April 16, 2013.</b>
<b>C.</b> Provide plan for ongoing participant communication utilizing various distribution channels.	<b>Communication strategy document on the customized website.</b>
<b>D.</b> Provide operational reports on a monthly basis accessible to administrative staff via Plan Sponsor Online portal within 30 days of month-end.	<b>The following operational reports are available via Plan Sponsor Online website on a monthly basis and within the 30 days of month-end standard:</b> ▪ <b>Contribution Report</b>

	<ul style="list-style-type: none"> <li>▪ <b>Distribution Report</b></li> <li>▪ <b>Fund Activity Report</b></li> <li>▪ <b>Loan Summary Report</b></li> <li>▪ <b>Separation Report</b></li> </ul>
<b>E.</b> 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>9/30/2013 Annual plan review delivered at the February 11, 2014, meeting. Annual plan review will take place at the November meeting in 2014.</b>
<b>F.</b> Conduct training of employer-designated personnel on access to online reports and use of reporting capability.	<b>On going training by Account Manager to designated personnel when needed.</b>
<b>G.</b> Draft and distribute participant survey. Analyze survey results, provide executive summary and recommended actions no more frequently than once per year.	<b>Survey for 2012 was placed on the custom website on September 18, 2012, and will be active to October 17, 2012. Results were presented on November 13, 2013, and placed on custom website.</b>
<b>H.</b> Provide regular 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>Will partner with SST and Foster City to identify these opportunities and deliver as requested by client and consultant</b> <b>November 28, 2012 Meeting – Beneficiary Designations</b> <b>February 12, 2013 Meeting – Maximizing Website Features</b> <b>August 13, 2013 Meeting – Target Date Funds</b> <b>November 12, 2013 – Fund Review Charts/Tables</b> <b>February 11, 2014 – Morningstar Charts/Tables</b>
<b>I.</b> Develop, schedule and deliver new decision-maker training for employer identified new Committee members or administrative staff on as needed basis.	<b>Will partner with SST and Foster City to identify these opportunities and deliver as requested by client and consultant.</b>
<b>J.</b> Provide annual written summary of all Performance Standards/Guarantees and results along with any suggested modifications or enhancements to the Standards.	<b>Provided information to SST on February 2, 2014. Reviewed at February 11, 2014, meeting. Next review will be at the November meeting in 2014.</b>

<p><b>K.</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.</p>	<p><b>\$1,000 for failure to provide the data within agreed upon timeframe and \$500 for each additional day delay.</b></p>
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