

# Our performance standards

Prepared for: The City of Foster City

Prepared by: VALIC

September 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

Standard	Guarantee
<b>A.</b> Answer telephone calls to Client Care Center within 90 seconds 90% of the time.	<b>For the period from 7/1/2014 – 9/30/14, 100% of all calls were answered within 90 seconds, within the standard of 90 seconds 98% of the time.</b>
<b>B.</b> Mail participant statements within 10 business days after quarter-end.	<b>3rd quarter 2014 participant statements were mailed by October 10, 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>Met with COFC to present educational and communication plan for 2014 on April 8, 2014. Finalized and placed on the custom website.</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 will be mailed to the participants in 4<sup>th</sup> quarter 2014.</b>
<b>J.</b> Encrypt all laptops and remote computers carrying Foster City	<b>All laptops and remote computers carrying Foster City participant</b>

<p>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.</p>	<p><b>information are encrypted to ensure the protection of all plan information. There has not been any comprise of data to date.</b></p>
<p><b>K.</b> Recommend, in writing, steps VALIC and COFC may take to communicate and coordinate information regarding defined benefits offered through COFC.</p>	<p><b>Presentation given by VALIC at the May 14, 2013, quarterly meeting.</b></p>

## II. Plan Sponsor Service Standards

Standard	
<p><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.</p>	<p><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></p>
<p><b>B.</b> Review investment policy and summarize, in writing, any recommended changes.</p>	<p><b>Investment Policy was finalized on December 9, 2011. SST and VALIC reviewed the funds and recommend changes at the February 11, 2014, meeting as well as an updated investment policy statement. Effective date of the recommended fund changes will be October 16, 2014.</b></p>
<p><b>C.</b> Provide plan for ongoing participant communication utilizing various distribution channels.</p>	<p><b>Communication strategy document on the customized website.</b></p>
<p><b>D.</b> Provide operational reports on a monthly basis accessible to administrative staff via Plan Sponsor Online portal within 30 days of month-</p>	<p><b>The following operational reports are available via Plan Sponsor Online website on a monthly basis and within the 30 days of month-</b></p>

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>
E. 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 11<sup>th</sup> meeting in 2014.</b>
F. 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>
G. Draft and distribute participant survey. Analyze survey results, provide executive summary and recommended actions no more frequently than once per year.	<b>Survey results were presented on November 13, 2013, and placed on custom website. VALIC will send out a new survey in November 2015.</b>
H. 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>February 11, 2014 – Morningstar Charts/Tables</b> <b>May 13, 2014 – Paycheck Comparison – Traditional vs. Roth</b> <b>November 10, 2014 – NAGDCA Bet Practices: Plan Design/Communication</b>
I. 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>
J. 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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