

Our performance standards

Prepared for: The City of Foster City

Prepared by: VALIC

June 2011

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
A. Answer telephone calls to Client Care Center within 90 seconds 90% of the time.	For the period from 4/01/11 – 6/30/11, 91% of all calls were answered within 30 seconds, within the standard of 90 seconds 90% of the time.
B. Mail participant statements within 10 business days after quarter-end.	2nd quarter 2011 participant statements were mailed by July 15, 2011, within 10 business days after quarter-end standard.
C. Provide website with customized landing page and hot link between COFC and VALIC websites. Provide communication advertising site content and ways to access	Completed March 31, 2011. Waiting on direction from COFC in regards to participant communication.
D. Process investment fund transfers and contribution posting within one business day effective with the market date of good order receipt.	All investment fund transfer requests and contributions in good order were processed within VALIC standard of before 3:00 PM CST Monday through Friday (not including designated holidays).
E. Process hardship distributions, rollover requests, in-service distributions, retiree distribution requests within 5 working days of acceptable documentation.	All distribution requests were processed within VALIC Standard of 2-3 business days.
F. Provide mutually agreeable number of educational seminars annually to participants, offering distinctive programs to employees and retirees.	Maximum \$1,000 per year for failure to provide agreed upon number of educational seminars.
G. Provide quarterly newsletters to plan participants regarding plan benefits and/or topical issues.	Provided in Quarterly Statements.
I. Provide communication to plan participants describing investment advice services and access.	Delivered and reviewed on February 23, 2011.
J. Encrypt all laptops and remote	All laptops and remote computers

<p>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.</p>	<p>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.</p>
<p>K. Recommend, in writing, steps VALIC and COFC may take to communicate and coordinate information regarding defined benefits offered through COFC.</p>	<p>More discussion with SST and Foster City to better identify this</p>

II. Plan Sponsor Service Standards

Standard	
<p>A. 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>The Deferred Compensation Plan Document was restated on August 1, 2010 to meet legislative requirements. 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.</p>
<p>B. Review investment policy and summarize, in writing, any recommended changes.</p>	<p>Initial Review provided in December. Identify and agree how when the review should happen go forward.</p>
<p>C. Provide plan for ongoing participant communication utilizing various distribution channels.</p>	<p>communication strategy document by March 31, 2011 or other date as specified by COFC.</p>
<p>D. Provide operational reports on a monthly basis accessible to administrative staff via Plan Sponsor Online portal within 30 days of month-end.</p>	<p>The following operational reports are available via Plan Sponsor Online website on a monthly basis and within the 30 days of month-end standard:</p> <ul style="list-style-type: none"> ▪ Contribution Report ▪ Distribution Report ▪ Fund Activity Report ▪ Loan Summary Report ▪ Separation Report
<p>E. Provide annual plan review comparing COFC Plan with other VALIC Plans which recap prior year information</p>	<p>Annual plan review will be conducted at the scheduled Deferred Compensation Committee</p>

and written plan addressing strategy for upcoming year (plan/participant enhancement services).	meeting.
F. Conduct training of employer-designated personnel on access to online reports and use of reporting capability.	On going training by Account Manager to designated personnel for PSO.
G. Draft and distribute participant survey. Analyze survey results, provide executive summary and recommended actions no more frequently than once per year.	Survey results presented at February 23rd meeting.
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.	Will partner with SST and Foster City to identify these opportunities and deliver as requested by client and consultant May 19th Meeting – Roth 457(b) Presentation August 24th Meeting – GPS Services
I. Develop, schedule and deliver new decision-maker training for employer identified new Committee members or administrative staff on as needed basis.	Will partner with SST and Foster City to identify these opportunities and deliver as requested by client and consultant.
J. Provide annual written summary of all Performance Standards/Guarantees and results along with any suggested modifications or enhancements to the Standards.	Will review on August 24, 2011
K. 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.	\$1,000 for failure to provide the data within agreed upon timeframe and \$500 for each additional day delay.