

Public Agenda Item #24

Review of Texa\$aver 401(k)/457 Program Compliance and Operational Updates

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Diana Kongevick, Director of Group Benefits

Georgina Bouton, CTCM, Assistant Director of Group Benefits

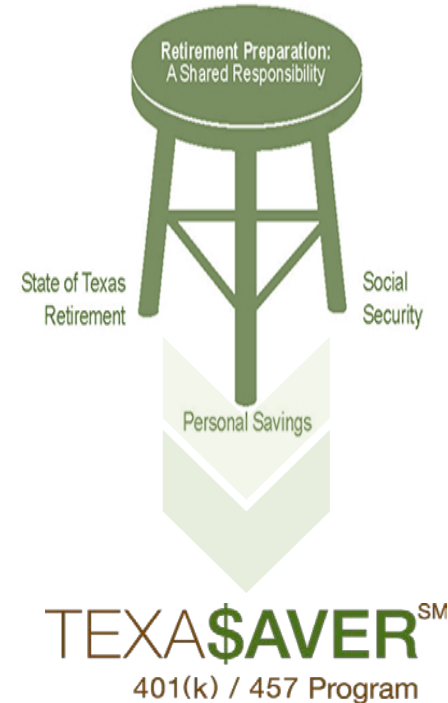
Nora Alvarado, CTCM, Voluntary Income Plans, Group Benefits

Texa\$averSM Program

Calendar Year 2020 Overview



- Texa\$aver 401(k)/457 program (Texa\$aver) is a voluntary tax-deferred supplemental retirement program
 - Designed to help state and eligible higher education employees with personal retirement savings
- Texa\$aver is comprised of two plans
 - 401(k) plan - available to state agency employees
 - 457 plan - available to state agency and eligible higher education employees



Contract Monitoring Overview



Performance Guarantee Assessments

- A performance guarantee (PG) is connected to a business-critical service function(s) required of a vendor throughout the contract period.
- PG metrics are formulated from regulatory standards and industry best practices. Each PG is then risk-rated using risk assessment modeling and given a PG severity level.
- Severity levels identify the basis for the assessment amount in the event a PG is missed. The severity levels are:

Severity 1: Emergency

Severity 2: Critical

Severity 3: Moderate

Severity 4: Minor

Texa\$aver Program

Vendor Contracts



- Two vendors provide contracted services to the Texa\$aver program.
 - Empower Retirement provides third party administrator services.
 - Advised Assets Group (AAG) provides advisory services.

Texa\$aver Program

Empower Retirement Performance Reporting, CY20



Severity Level	PG Category	Vendor Performance Results	PG Assessments	PG Requirement	PG Actual
2	Critical PGs	3 Critical PG assessments	Resolution of File and/or Transaction Errors 3 PGs assessed (3 of 12 months)	Any file transfer/data errors shall be resolved within twenty-four hours of the notice to ERS.	Not Met
3	Moderate PGs	5 Moderate PG assessments	Notification of File and/or Transaction Errors 5 PGs assessed (5 of 12 months)	Notification to ERS of any file transfer/data errors within twenty-four hours.	Not Met
4	Minor PGs	2 Minor PG assessments	Communications Material 2 PGs assessed (2 of 12 months)	All communication materials must adhere to ERS' communication review and approval process.	Not Met

While now resolved, most assessments shown are related to the critical misses due to newly hired state employees not being automatically enrolled into the 401(k) plan.

TexaSaver Program

Advised Assets Group Performance Reporting, CY20



Severity Level	PG Category	Vendor Performance Results	PG Assessments	PG Requirement	PG Actual
4	Minor PGs	2 Minor PG assessments	Interval Service Levels (Call answering speed) 2 PGs assessed (2 of 4 quarters)	80% per quarter	46.15% and 73.33%

Questions?