

**PERALTA COMMUNITY COLLEGE DISTRICT
Board of Trustees Agenda Report
For the Trustee Meeting Date of July 21, 2009**

ITEM # 17

ITEM TITLE: *(Please define the subject; e.g., change order – Berkeley City College)*

Change of third-party administrative services from ING to Great American Plan Administrators

SPECIFIC BOARD ACTION REQUESTED:

THE BOARD IS REQUESTED TO AUTHORIZE THE CHANGE OF THIRD-PARTY ADMINISTRATORS FOR THE TAX DEFERRED PLANS 403(B) & 457 EFFECTIVE AUGUST 1, 2009. WE RECOMMEND CHANGE FROM ING FINANCIAL SERVICES TO GREAT AMERICAN PLAN ADMINISTRATORS (GAPA).

ITEM SUMMARY: *(PLEASE DISCUSS THIS ITEM)*

REGULATORY CHANGES IN THE TAX-DEFERRED PLAN ADMINISTRATION REQUIRES THAT THE DISTRICT ENGAGE PROFESSIONAL SERVICES OF A THIRD PARTY ADMINISTRATOR TO EXECUTE COMPLIANCE EFFORTS OF THE PLANS. FROM 2006 – DECEMBER 2008, ENVOY FINANCIAL SERVICES SERVED IN THIS ROLE. DUE TO ITS INTRODUCTION OF SERVICE FEES AND INABILITY TO SECURE THE SELECTION OF INVESTMENT OPTIONS, THE DISTRICT CHANGED ADMINISTRATORS FROM ENVOY TO ING FINANCIAL SERVICES IN JANUARY 2009. ING FINANCIAL SERVICES DOES NOT IMPOST SERVICE FEES TO EITHER THE EMPLOYER OR THE EMPLOYEE. HOWEVER, AFTER A 6-MONTH TRANSITION PERIOD, ING WAS UNABLE TO FOLLOW THROUGH ON SERVICE DELIVERABLES SUCH AS:

- *WEBSITE DEVELOPMENT*
- *THE TIMELY ROUTING OF EMPLOYEE TAX DEFERRALS*
- *TIMELY AND EFFICIENT COMMUNICATION TO PERALTA ADMINISTRATORS*

THE DISTRICT NEEDS SERVICES FROM A TPA WHO HAS A TRACK RECORD OF DELIVERING HIGH QUALITY SERVICE WITHOUT IMPOSING AN EXPENSE TO THE DISTRICT.

BACKGROUND/ANALYSIS:

THE DISTRICT ASSEMBLED A TEAM OF STAKEHOLDERS TO IDENTIFY THE NEEDS AND PRIORITIES IN THE SELECTION OF A NEW THIRD-PARTY ADMINISTRATOR. PAYROLL, HUMAN RESOURCE, BENEFITS AND IT CONSULTANT COLLABORATED TO DEFINE A CLEAR LIST OF PRIORITIES. WE SURVEYED THE BAY 10 COLLEGES, SECURED RECOMMENDATIONS AND INTERVIEWED 2 FIRMS. GAPA WAS CHOSEN TO SERVE IN THE ADMINISTRATIVE ROLE BECAUSE OF ITS

- *PROVEN TRACK RECORD OF DELIVERING HIGH QUALITY SERVICE*
- *ABILITY TO RETAIN INVESTMENT OPTIONS TO OUR EMPLOYEES*
- *ABSENCE OF ADMINISTRATIVE FEES*
- *COMMITMENT TO REGULAR COMMUNICATIONS TO STAFF ADMINISTRATORS*
- *ABILITY TO ENSURE OUR COMPLIANCE WITH EXTERNAL REGULATIONS AND TO PROVIDE GUIDANCE TO PROTECT US IN OUR FIDUCIARY ROLE*

ALTERNATIVES/OPTIONS:

None at this time.

EVALUATION AND RECOMMENDED ACTION:

APPROVAL IS RECOMMENDED

SOURCE OF FUNDS (AND FISCAL/BUDGETARY IMPACT):

\$0.00

OTHER DEPARTMENTS IMPACTED BY THIS ACTION (E.G. INFORMATION TECHNOLOGY):

YES XX

NO _____

PAYROLL

INFORMATION & TECHNOLOGY

BENEFITS

COMMENTS:
NONE

WHO WILL BE PRESENTING THIS ITEM AT THE BOARD MEETING? VICE CHANCELLOR THOMAS SMITH
DID A BOARD STANDING COMMITTEE RECOMMEND THE ITEM? YES _____ NO X
IF "YES", PLEASE INCLUDE THAT INFORMATION IN YOUR SUMMARY.

(*****Board contract approval is subject to negotiation and execution by the Chancellor.)
PLEASE ACQUIRE SIGNATURES IN THIS ORDER:

DOCUMENT PREPARED BY:

Prepared by: Jennifer Benford Seibert - District Benefits Coordinator
Date: 07/13/09

DOCUMENT PRESENTED AND APPROVED BY:

Presented and approved by: _____ Date: _____

FINANCE DEPARTMENT REVIEW

_____ Finance review required Finance review not required

If Finance review is required, determination is: _____ Approved _____ Not Approved

If not approved, please give reason: _____

Signature: Thomas Smith Date: 7.14.09
Thomas Smith, Vice Chancellor for Finance and Administration

GENERAL COUNSEL (Legality and Format/adherence to Education Codes):

_____ Legal review required Legal review not required

If Legal review is required, determination is: _____ Approved _____ Not Approved

Signature: _____ Date: _____
Thuy T. Nguyen, General Counsel

CHANCELLOR'S OFFICE APPROVAL

_____ Approved, and Place on Agenda _____ Not Approved, but Place on Agenda

Signature: Elihu Harris Date: 7/16/09
Elihu Harris, Chancellor