

This letter is notice to you of a change in the vendor that administers the County's Deferred Compensation plan benefit. This change in vendor will not affect employees' options or their participation in the plan, or any other matter within the scope of bargaining.

As you may be aware, County employees can elect to participate in the Deferred Compensation Plan benefit subject to the terms of article 21 of their MOU, a retirement savings plan above and beyond their defined benefit pension plan. This plan is a *voluntary* plan under section 457 of the IRC and employees can contribute via pre-tax salary deferrals. The current provider of this voluntary benefit plan is Empower Retirement (formerly known as Great West). In 2016, the County conducted an RFP and received 8 competitive responses. After a comprehensive review and thorough analysis, the County has selected Nationwide Retirement Services to replace Empower, our current vendor. Nationwide was most competitive on fee structure, technology based administration, and the quality of benefits offered to members. As a result, on June 20, 2017, an agenda item will be brought to the County Board of Supervisors to approve a new contract with Nationwide and terminate the existing contract with Empower. The goal is to complete the transition from Empower, to Nationwide, in September 2017.

Nationwide has served workers for more than 40 years. A Fortune 500 company, Nationwide manages and administers more than \$89 billion in retirement assets. The company has earned financial strength ratings³ of:

A+ "Superior" Second of 16 ranks by A.M. Best Received: 10/17/2002 Affirmed: 05/22/2013	A1 "Good" Fifth of 21 ranks by Moody's Received: 03/10/2009 Affirmed: 09/12/2013	A+ "Strong" Fifth of 22 ranks by Standard & Poor's Received: 12/22/2008 Affirmed: 06/17/2013
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Upon Board approval and throughout the summer, we will deploy a transition strategy that will involve:

- The **least disruption** to employees as possible
- **Secure movement** of assets and personal information to Nationwide
- **Detailed communications** to help you understand, prepare and act, as necessary

The communication plan will include mailings to homes with information packets that include a timeline, any pertinent investment information and options, explanation how your assets will be moved to your new account, as well as introduction to the people who will be serving you. In addition, the County will be holding approximately 25 workshops in August, at various County department locations, for employees to learn more about the benefit and transition. We will also accommodate individual meetings with members, if desired.

Employees do not need to take any action before the transition. If, in the meantime, they have questions about their Deferred Compensation account, they should contact Empower.

If employees have questions about Nationwide, they may contact our new Nationwide local representatives:

Local Retirement Specialist, Lupita Ayala at 818-798-8159 or ayalag2@nationwide.com

Local Retirement Specialist, Gareth Ward at 310-339-0709 or Wardg1@nationwide.com

The County is excited to partner with Nationwide in providing employees with a quality voluntary Deferred Compensation plan benefits and is confident it will be a smooth transition.

Do not hesitate to contact me with any questions you may have! Lastly, please acknowledge receipt of this email.

Respectfully,

Megan M. Fisher

MEGAN FISHER, SPHR, SHRM-SCP

DEPUTY DIRECTOR

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Cc: Tami Douglas-Schatz, HR Director (*via email*)

Jim Erb, Auditor-Controller, Deferred Compensation Plan Administrator (*via email*)

Jeff Sloan, Renne Sloan Holtzman Sakai LLP (*via email*)