



LANE COUNTY

HUMAN RESOURCES DEPARTMENT / 125 East 8th Ave. / Eugene, OR 97401
Phone: (541) 682-3665/ Fax: (541) 682-4290

W.5.D.2.

AGENDA COVER MEMO

Memorandum Date: 03/10/10

Order Date:

TO: Board of County Commissioners

DEPARTMENT: Human Resources

PRESENTED BY: Annette Scarle

AGENDA ITEM TITLE: IN THE MATTER OF APPROVING AN AMENDMENT TO
THE GREAT-WEST RETIREMENT SERVICES
CONTRACT TO ACT AS THE DEFERRED
COMPENSATION THIRD PARTY ADMINISTRATOR

I. MOTION

**MOVE APPROVAL OF ORDER 09 -- _____ IN THE MATTER OF APPROVING AN
AMENDMENT TO THE GREAT-WEST RETIREMENT
SERVICES CONTRACT TO ACT AS THE DEFERRED
COMPENSATION THIRD PARTY ADMINISTRATOR**

II. AGENDA ITEM SUMMARY

Lane County appointed Great-West Retirement Services as the third party administrator for deferred compensation to provide plan administration, recordkeeping, education and investment management services. The Board is being asked to approve a five year contract extension from May 1, 2010 through April 30, 2015 at a reduced annual rate of .16%. The County Administrator requires additional delegated authority to be able to sign and execute the five year amendment.

III. BACKGROUND/IMPLICATIONS OF ACTION

A. Board Action and Other History

The Board of County Commissioners designated Great-West Retirement Services as Lane County's deferred compensation administrator for the

period of May 1, 2007 thru April 30, 2010 with retention of .19% per annum of Distribution and Administrative revenue from all non-SDBA investment providers to cover the cost to provide the agreed upon services. This contract amendment would extend the contract from May 1, 2010 through April 30, 2015 with retention reduced to .16% per annum.

B. Policy Issues

Lane County has previously established deferred compensation plans to enable employees to defer a portion of their compensation into retirement plans in a tax-deferred manner. The laws regulating deferred compensation plans are complex and subject to change and the county has identified an on-going need to have a third party deferred compensation service provider to ensure regulatory compliance as well as to provide plan administration, recordkeeping, education and investment management.

C. Board Goals

Ensure regulatory compliance and excellent customer service levels for plan participants in a prudent and cost effective manner.

D. Financial and/or Resource Considerations

There are considerable cost savings to reducing the retention costs from .19% per annum of Distribution and Administrative revenue from all non-SDBA investment providers to .16% per annum.

E. Analysis

Great-West Retirement Services was initially selected to provide third party administration and investment management services for the benefit of the County 457 Deferred Compensation Plan participants May 1, 2007 for a period of three years. This would be the first amendment to the contract. Great-West Retirement Services has agreed to either extend the current contract for an additional three years at the current rate of .19% per annum of Distribution and Administrative revenue from all non-SDBA investment providers or to extend the contract five years with a reduced retention rate of .16% per annum. There are substantial financial benefits to selecting the five year option at the reduced rate and it is the recommendation of Arnerich Massena, the Lane County deferred compensation consultants and the Lane County Deferred Compensation committee that we take advantage of this opportunity. Should Lane County become dissatisfied with Great-West, the terms of this agreement allow either party to terminate the agreement for any reason, at any time prior to the expiration with ninety days written notice. The five year extension makes the contract eight years

in length and the County Administrator requires additional delegated authority in order to sign and execute the amendment.

F. Alternatives/Options

1. Approve the proposed contract amendment
2. Approve a three year contract amendment at the higher retention
3. Request for Proposal process
4. Direct staff to explore other options

IV. TIMING/IMPLEMENTATION

The current contract will expire on April 30, 2010. We would like to have the new contract in place prior to the expiration of the current contract.

V. RECOMMENDATION

The Deferred Compensation committee recommends the five year contract extension.

VI. FOLLOW-UP

Provide a copy of the amended service agreement to Great-West Retirement Services not later than April 30, 2010.

VII. ATTACHMENTS

- A. Board Order
- B. Contract Amendment

IN THE BOARD OF COUNTY COMMISSIONERS OF LANE COUNTY, OREGON

**RESOLUTION AND
ORDER 10-**

) **IN THE MATTER OF APPROVING AN
) AMENDMENT TO THE GREAT-WEST
) RETIREMENT SERVICES CONTRACT
) TO ACT AS THE DEFERRED
) COMPENSATION THIRD PARTY
) ADMINISTRATOR.**

WHEREAS, Lane County has previously appointed Great-West Retirement Services as the third party administrator service provider for administration, recordkeeping, education and investment management services, and

WHEREAS, Great-West Retirement Services has agreed to a five year contract extension beginning May 1, 2010, and reduced the amount to be retained to provide the services to Lane County; now, therefore,

IT IS HEREBY RESOLVED AND ORDERED, that an amendment to the deferred compensation third party administrator contract with Great-West Retirement Services extending the contract and reducing the retention to .16 % is approved and the County Administrator is delegated authority to execute the amendment for an additional five year term.

Dated this 17th day of March, 2010.

Chair, Board of County Commissioners

APPROVED AS TO FORM

Date 3/10/10 lane county
[Signature]
OFFICE OF LEGAL COUNSEL

**AMENDMENT NO. 1
TO
RECORDKEEPING AND COMMUNICATION SERVICES AGREEMENT
§457 Deferred Compensation Plan
Group No. 98731-01**

THIS AMENDMENT NO. 1 is entered into by and between Great-West Life & Annuity Insurance Company ("Great-West"), and/or any successor, assign or affiliate, and Lane County, a political subdivision of the State of Oregon ("Employer") with respect to the services to be provided by Great-West Retirement Services®, a unit of Great-West, to the Lane County §457 Deferred Compensation Plan (hereinafter referred to as the "Plan").

Effective May 1, 2007, Great-West and Employer entered into the Agreement for Recordkeeping and Communication Services ("Agreement"), under which Great-West provides certain recordkeeping and communication services for the Employer with respect to the Plan; and

Great-West and the Employer have agreed that it would be mutually beneficial to amend the Agreement for a new Agreement term.

NOW THEREFORE, in consideration of the covenants and conditions herein contained, and other good and valuable consideration as herein provided, the parties agree to amend the Agreement as follows:

1. The first sentence of the first paragraph of Section 5 "TERM" shall be deleted in its entirety and replace with the following:

"This Agreement shall be renewed for a new term beginning on May 1, 2010 and extending through April 30, 2015 with an option by Employer to renew for three additional years commencing as of May 1, 2015."
2. The amount to be retained by Great-West in Section 12 "COMPENSATION" shall be reduced from 0.19% to 0.16% in each instance throughout this entire section.
3. In all other respects the Agreement shall remain in full force and effect.
4. This Amendment No. 1 will take effect upon the date executed by both the Employer and Great-West (the "Effective Date").

IN WITNESS WHEREOF, the parties have caused this Amendment No. 1 to the Agreement to be executed, in duplicate, by their respective officers and agents thereunto duly authorized.

**LANE COUNTY,
a political subdivision of the State of Oregon**

Signature: _____

Date _____

Name: _____

Title: _____

Great-West Life & Annuity Insurance Company

Signature: _____

Date _____

Name: Gregory E. Seller

Title: Senior Vice President, Government Markets