

---

**LAKE-SUMTER STATE COLLEGE  
ADMINISTRATIVE PROCEDURE**

---

TITLE: 403b Plan Investment Service Providers

NUMBER: PRO 5-29

REFERENCE: IRS Code

PAGE: 1 OF 3

---

**I. INTRODUCTION**

This procedure describes the process for adding and eliminating investment service providers to Lake-Sumter State College's (LSSC) 403b Investment Plan in compliance with the 2009 IRS changes. Under the 2009 IRS changes employers must have a defined 403b investment plan which meets new regulations. The changed regulations deal with strict guidelines in the administration of the plan. Because of the complexity of managing these plans to the new IRS guidelines, LSSC, like other employers, has elected to use a contracted Third-Party Administrator (TPA) company.

LSSC's TPA assists LSSC in the establishment and maintenance of its official 403b Investment Plan document which contains a list of approved and contracted 403b Service Providers. Most of these providers are from the approved list of providers generated from a detailed RFP/ITN through the COBA-HR council. That list contains eleven (11) top providers who were scored the highest along rigid criteria of key indicators of exceptional service/performance as identified by the COBA-HR council 403b subcommittee.

Potential service providers solicit LSSC in request to be added to the plan document. Through its TPA LSSC can add 403b Investment providers to its plan document at any time. Currently a \$100 payment is rendered to the TPA for each service provider added to the Plan.

LSSC's responsibility is to manage:

- a. 403b service providers solicitation to join LSSC's Plan.
- b. Continuation/discontinuation of 403b service providers to the Plan.
- c. Employees' needs/expectations about preferred providers.
- d. HR's 403b administrative workload.

## II. PROCESSES FOR ADDING AND REMOVING 403B SERVICE PROVIDERS

To meet the responsibilities listed above, these two processes shall be followed:

- a. Determining and Adding a new 403b Service Provider to the Plan.
  1. Beyond the initial 2009 start-up year of the Plan, service providers will be added to LSSC's 403b Document Plan only at the start (January) of the new year. Potential Providers will self-identify by submitting a written request to LSSC for consideration. Typically, LSSC will not request formally service providers to seek consideration. Decisions to add a provider to the Plan will be based upon successful assessment defined in the following steps and positively meeting the criteria within the steps. The completion of the assessment shall occur in November and a recommendation to add a vendor (s) made to the President's Cabinet.
- b. Steps and criteria for adding a Service Provider to the Plan are:
  1. Assess the need and reputation of potential service provider – a need must exist. The provider must be reputable;
  2. Do two or more employees desire this potential provider and why;
  3. Is provider willing to host learning session and/or attend Benefits Fair to obtain potential list of interested employees;
  4. Does this provider offer products or services different from other existing providers;
  5. Is the provider one of the approved 11 providers identified from the Florida COBA-HR 403b subcommittee RFP/ITN process;
  6. Has the provider proven to be continually reputable per other College's experience? (Absence of employee complaints);
- c. Review Cost Control-The Potential Provider Must Agree to Pay Appropriate Expense;
  1. Will the potential provider pay the "investment provider implementation fee" as set by the TPA;
  2. Will the potential provider pay the per employee monthly participant administration fee as set forth in the Plan document;
- d. Review LSSC/TPA Investment Provider Agreement - The Potential Provider Will Agree to Sign the Agreement without substantive change;
  1. Are the suggested contract changes acceptable to LSSC's lawyer?
- e. Report and Recommend for Approval Service Provider to President's Cabinet
  1. Communicate Cabinet's Decision;
  2. If approved, notify provider of approval no later than December 15;
  3. If approved, notify TPA officially to add provider to Plan and complete administrative process. Note: Provider will notify prospective employees to complete their 403b plan paperwork. Subject to approval by HR, provider may request an on-site visit to educate and solicit other employees of their product;

- f. Removal of Investment Service Providers from the LSSC Plan Investment service providers belonging to the LSSC 403b Plan may be removed upon a review/assessment of their service performance and/or lack of LSSC employee clients. HR shall send yearly a satisfaction survey to employees investing in 403b plans. Also, a yearly review by the HR department with assistance from the TPA shall be performed to determine if service provider(s) should be removed from the Plan. HR will forward a recommendation for service provider(s) removal to the Cabinet for its review and decision.

Criteria Used to Assess 403b Service Providers Performance:

- 1. Service Provider's contact/communication with their respective LSSC employee- clients
    - i. Hard copy and electronic communication;
    - ii. Face-to-Face meetings - informational group sessions, private one-on-one meetings.
  - 2. Service Provider's attendance at HR sponsored events or meetings with employees;
  - 3. Service Provider's respectful active solicitation of employees to establish 403b investment plans;
  - 4. Service Provider's satisfactory or higher score from the Employee-Client 403b Satisfaction Survey;
  - 5. Service Provider's LSSC client base size. If after two years a service provider has no LSSC clients this shall constitute grounds for removal from the Plan.
  - 6. Proof of meeting the above criteria rests with each Service Provider. Beginning 2010 the Service Provider is to supply every September to HR a report addressing how to meet the above criteria. HR will accept the report in either hard copy or electronic format.
- g. Steps for Removing a Service Provider from the Plan are:
    - 1. Every year in October, Human Resources will complete an assessment using the above criteria on each Service Provider in the Plan. HR will review information as appropriate from the TPA. HR will review the Service Provider's submitted documentation proving it meets the established criteria;
    - 2. In November HR will provide a Service Provider status report to the Cabinet with recommendations, if appropriate, for the removal of any service provider;
    - 3. Should the Cabinet decide to have a Service Provider removed, then HR in December will provide written notification to both the TPA and affected Service Provider about removal from LSSC's 403b Plan. In the written notification to the affected Service Provider HR will explain briefly the reasons for the Service Provider's removal. The decision for removal is final.