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AMENDED AND RESTATED CONTRACT

BETWEEN

STATE OF FLORIDA DEPARTMENT OF MANAGEMENT SERVICES

AND TEACHERS INSURANCE AND ANNUITY ASSOCIATION OF AMERICA COMPANY

CONTRACT NO.: DMS-14/15-034

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STATE OF FLORIDA DEPARTMENT OF MANAGEMENT SERVICES

AND
TEACHERS INSURANCE AND ANNUITY ASSOCIATION OF AMERICA COMPANY

CONTRACT NO.: DMS-14/15-034

This Contract is by and between the State of Florida, Department of Management Services (Department), an agency of the State of Florida located at 4050 Esplanade Way, Tallahassee, Florida 32399-0950, and TEACHERS INSURANCE AND ANNUITY ASSOCIATION OF AMERICA (service provider) with its office at 14055 Riveredge Drive, Suite 320, Tampa, FL 33637, collectively referred to herein as the "Parties."

WHEREAS, the State of Florida, pursuant to section 121.35, Florida Statutes (F.S.), and the rules promulgated under Rule Chapter 60U, Florida Administrative Code (F.A.C.), the Department established the State University System Optional Retirement Program (SUSORP), an optional retirement program for eligible employees of the State University System, whereby these employees would be provided a means to purchase retirement and death benefits through annuity or other contracts, which may be fixed, variable, or a combination thereof;

WHEREAS, the Department oversees the administration of SUSORP, an Internal Revenue Code (I.R.C.) section 403(b) retirement plan with assets of approximately $6.1 billion as of June 30, 2020, that serves the retirement needs of approximately 21,500 active members and 36,000 inactive members of the 12 state universities in Florida, pursuant to section 121.35, F.S.;

WHEREAS, pursuant to section 121.35, F.S., the Department shall designate no more than six (6) SUSORP service providers from which contracts may be purchased;

WHEREAS, according to section 121.35, F.S., both annuities and mutual fund products are permitted to be offered in the SUSORP plan;

WHEREAS, pursuant to section 121.055, F.S., and the rules promulgated under Rule Chapter 60V, F.A.C., the Department established an optional retirement program for eligible employees of the Florida Retirement System's Senior Management Service Class (SMSC) whereby these employees would be provided a means to purchase retirement, death and disability benefits through annuity contracts, which may be fixed, variable, or a combination thereof, in accordance with section 401(a) of the Internal Revenue Code, which was closed to new members effective July 1, 2017;

WHEREAS, the Department also oversees administration of the Senior Management Service Optional Annuity Program (SMSOAP), an I.R.C. section 401(a) retirement plan with assets of approximately $10.4 million as of June 30, 2020, that serves the retirement needs of seven (7) active and 99 inactive senior managers of the State of Florida, pursuant to section 121.055, F.S.;

WHEREAS, for the SMSOAP, section 121.055, F.S., allows the Department to designate one or more service providers and according to section 121.055, F.S., only annuity investments are

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permitted to be offered in the SMSOAP and the employer and required member contributions to the plan are on a pre-tax basis, with any voluntary member contributions on an after-tax basis;

WHEREAS, effective July 1, 2021, the following four approved service providers are eligible to receive ongoing contributions for SUSORP and SMSOAP: AIG, Equitable, TIAA and VOYA;

WHEREAS the Department entered into a contract with the service provider for the services described herein effective July 1, 2015 ("Original Contract"); and

WHEREAS, for purposes of clarity and convenience, the Parties desire to amend and restate the terms of the Original Contract, as set forth below.

NOW THEREFORE, in consideration of the mutual promises and mutual covenants set forth herein, the Parties agree as follows:

1. DEFINITIONS

The following definitions are hereby incorporated as part of this Contract:

1.1. **Account** - The account maintained by the service provider for the benefit of any Member or beneficiary under an annuity contract or a custodial account.

1.2. **Account Balance** - The present total benefit to which a Member or the Member's beneficiary is entitled to receive under an annuity contract or a custodial account taking in account all contributions made to the Member's Account and all earnings or losses (including expenses) that are allocable to the Member's Account, any rollover contributions or transfers held under the Member's Account and any distribution made to the Member, the Member's beneficiary, or any alternate payee.

1.3. **Authorized Products** - The unallocated group annuity contracts that are fixed, variable or a combination thereof and mutual funds that are approved by the Department pursuant to the terms of this Contract to be sold or offered for sale by service provider to Members of the SUSORP or the SMSOAP. A current list of Authorized Products is included in Attachment B.

1.4. **Business Day -** A period of 24 hours from time of receipt or 5:00 p.m. on the following day from time of receipt, whichever is later, excluding the hours in Saturdays, Sundays and State-observed holidays.

1.5. **Calendar Day -** A period of 24 hours from time of receipt or 5:00 p.m. on the following day from time of receipt, whichever is later.

1.6. **Contributions** - Employer and Member contributions provided by the Department to the service provider for investing in the SUSORP or the SMSOAP.

1.7. **Correction** - A subsequent adjustment in the amount of contributions provided to the service provider.

1.8. **Corrective Action Plan** - A written report which summarizes the issue, problem, non-compliance or underperformance of the Contract and a set of actions to correct the issue, problem, non-compliance, or underperformance from occurring in the future.

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1.9. **Contract Exchange** - To allow Member investments to be moved from one service provider's Authorized Product to another service provider's Authorized Product within either the SUSORP or the SMSOAP.

1.10. **Cure Period** - A period of 20 Business Days, or such other time as agreed to by the Parties, for the service provider to resolve an issue, problem, non-compliance, or underperformance of the Contract.

1.11. **Custodial Account**- Group or individual custodial accounts or accounts as defined in section 403(b)(7) of the I.R.C., established for each Member by the Employer, Administrator, or the Member individually, to hold assets of the Plan.

1.12. **Deliverable** - A tangible or intangible object produced as a result of this Contract that is intended to be delivered or provided to the Department.

1.13. **Distribution** – Payments that are made to a SUSORP or SMSOAP Member or a Member's beneficiary through a partial or lump sum payment, partial or lump sum rollover, or as otherwise provided in sections 121.055(6)(e) or 121.35(5), F.S. A Distribution does not include Contract Exchanges, or Qualified Domestic Relations Order (QDRO) payments, or Required Minimum Distribution payments. SMSOAP payments are considered a distribution.

1.14. **Employer** - For SMSOAP, any agency of the State of Florida, and for SUSORP the Department of Education, the State University System, or FRS participating Employers.

1.15. **Execution Date** - Though the Original Contract was effective July 1, 2015, for the purposes of the use of this term in this Amended and Restated Contract, this refers to the last date signed below. This Contract will not apply to any events or transactions occurring prior to the Execution Date, and the terms of the Original Contract (including the amendments thereto, each of which specified its effective date) are applicable to the performance of the Parties prior to the date this Contract is executed.

1.16. **Event of Default** - A breach of material obligation under this Contract as specified in Section 8 – Event of Default.

1.17. **Financial Consequences** - Amount owed to the appropriate SUSORP or SMSOAP trust fund if service provider fails to comply with the terms of the Contract.

1.18. **Incident** - Any event that causes an interruption to, or a reduction in, the quality of Services resulting in noncompliance with Performance Metrics as specified in Attachment C.

1.19. **Marketing Guidelines** - A university's written policies governing the manner and method of offering Authorized Products to Members.

1.20. **Member** - An employee in an eligible position who has elected or is required to participate in the SUSORP or the SMSOAP and has elected to deposit contributions in the service provider's Authorized Products.

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1.21. **Performance Metrics** - The minimum acceptable level of service expected from each service provider. A schedule of Performance Metrics is included as Attachment C.

1.22. **Plans** - The SUSORP and the SMSOAP.

1.23. **Qualified Domestic Relations Order (QDRO)** - A judgment, decree, or order for a retirement plan to pay child support, alimony or marital property rights to a spouse, former spouse, child or other dependent of a participant.

1.24. **Required Minimum Distribution**- The calculated amount set by the I.R.C., that requires a Member to withdraw annually from an employer sponsored retirement plan or traditional individual retirement account.

1.25. **SBA** - The Florida State Board of Administration.

1.26. **Services** - The services to be provided by the service provider as described in Section 4 - Scope of Work and Services.

1.27. **State** - The State of Florida.

1.28. **State Data** - The data of a Member (including, but not limited to, their relatives or beneficiaries) involving unique personal information (such as name, address, phone number, email address, social security number, driver's license number, financial information, date of birth, account number, and user names) or other personal information in the custody or control of the service provider in the course of providing services under this Contract, regardless of whether it is a public record or considered confidential under any state or federal law.

1.29. **Subcontractor** - Any third party, agent, or independent contractor who the service provider engages to provide or assist in providing the Services under this Contract and has direct or indirect access to State Data. Subcontractor also includes any third party, agent or independent contractor hired by a Subcontractor who provides or assists in providing services under this Contract and has direct or indirect access to State Data.

1.30. **Surrender Charges** – Any charge, exaction, discount rate, formula, method of calculation or contractual term which reduces the Account Balance available for withdrawal upon transfer of a Member's account value to another Department-approved service provider or direct distribution to the Member or Member's beneficiary.

1.31. **SUSORP Plan Document** - A comprehensive document that sets forth the rights of the SUSORP plan's Members and beneficiaries as provided in Attachment A.

1.32. **Suspense Account** – A separate account for the SMSOAP and SUSORP programs designed to hold the administration of gains and losses resulting from Corrections made to a Member's account.

1.33. **Termination Date** – The date this Contract expires.

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2. CONTRACT TERM

2.1. Initial Contract Term

The initial Contract term began on July 1, 2015, and is currently set to expire June 30, 2021, unless terminated earlier as provided herein. The Original Contract terms apply through the day prior to the effective date of this Contract. The terms of this Contract are effective upon the last signature below, through June 30, 2021.

2.2. Renewal or Extension

This Contract will expire on June 30, 2021, unless renewed or extended in accordance with the Contract terms. Upon mutual written agreement, the Department and the service provider may renew this Contract on the same terms and conditions for up to four years pursuant to the PUR 1000. The Department will not be charged any costs for such renewal.

3. CONTRACT MANAGEMENT

3.1. Department Contract Manager

The Department employee who is primarily responsible for overseeing the service provider's performance of its duties and obligations pursuant to the terms of this Contract shall be:

Joyce W. Morgan
Chief, Enrollment and Contributions
Florida Department of Management Services
Division of Retirement
P.O. Box 9000, Tallahassee, FL 32315-9000
Telephone: (850) 414-6371
joyce.morgan@dms.fl.gov.

The Department may appoint a different Contract Manager, by sending notice to the service provider's Contract Manager, which shall not constitute an amendment to the Contract.

3.2. Service Provider Contract Manager

The service provider's employee who is primarily responsible for overseeing the service provider's performance of its duties and obligations pursuant to the terms of this Contract shall be:

Carolyn Dower
Senior Relationship Manager
Teachers Insurance and Annuity Association of America
14055 Riveredge Drive, Suite 320, Tampa, FL 33637
Telephone: (813) 632-5165
Carolyn.dower@tiaa.org

The service provider may appoint a different Contract Manager, by sending notice to the Department's Contract Manager, within five (5) Business Days, which shall not constitute an amendment to the Contract. Any communication to the Department relating to the Contract shall be addressed to the Contract Manager.

4. SCOPE OF WORK AND SERVICES

4.1. General

A. Service provider shall comply with the provisions of Chapter 121, F.S., and the rules promulgated thereunder in Chapters 60U and 60V, F.A.C., as related to the SUSORP and the SMSOAP. For the SUSORP, the service provider also agrees to comply with the Department's SUSORP Plan Document attached hereto and incorporated herein as Attachment A – SUSORP Plan Document and any amendments thereto during the term of this Contract.

B. Service provider shall designate one person to be responsible to receive inquiries and requests from the Department. Reasonable notice of any change in the designation of such person shall be provided to the Department in writing within 10 Business Days.

C. Service provider shall immediately notify the Department of the following:

1. Any action taken by any regulatory body of any jurisdiction (State or Federal) to place service provider on any "watch list" with respect to its financial condition or to suspend sales activity by service provider.

2. Any impending administrative or judicial action which would or could have the effect of suspending or terminating service provider's authorization to do business in any state or jurisdiction.

3. Any impending administrative or judicial action which would or could have the effect of placing the service provider in receivership.

4. Any cease or desist order, suspension order, or administrative fine or penalty imposed by any jurisdiction against the service provider.

5. Any judgment or decree rendered by any court of any jurisdiction the effect of which is to enjoin practices of service provider with respect to the sale of Authorized Products.

6. Any petition in bankruptcy or for the approval of a plan of reorganization or arrangement under the Bankruptcy Act or an admission seeking the relief therein provided, any assignment for the benefit of creditors, any voluntary appointment of a receiver for its properties, and the entry of any judgment obtained against it not arising out of claims made in the ordinary course of business, which has a material effect on service provider and which is not promptly paid or promptly appealed and secured pending appeal.

7. Any merger, sale, or takeover of service provider's assets.

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8. Any conviction of service provider or any agent of service provider for commission of a felony arising out of the performance of duties as an investment advisor or service provider.

4.2. **Member Services**

A. Service provider shall comply with all on-site requirements established by each Employer.

B. Service provider shall educate Members of changes in contribution limits, distribution options and other information deemed necessary by the Department.

C. Service provider shall at all times maintain a call center with a toll-free telephone number staffed by personnel within the United States who are qualified to answer inquiries and complaints regarding the Authorized Products and the account status of Members. Service provider shall identify its toll-free telephone number in all promotional materials for its Authorized Products. Failure to comply will be a violation of the terms of the Contract, that will subject service provider to financial consequences as provided in Attachment C – Performance Metrics.

D. Service provider shall resolve all call center Member issues. Failure to comply will be a violation of the terms of the Contract, that will subject service provider to financial consequences as provided in Attachment C - Performance Metrics.

E. Service provider shall provide the Member and the Department with a website that is available to Members, 24 hours a day, 7 days a week, and shall identify the website in all Plan promotional materials for its Authorized Products. Failure to comply will be a violation of the terms of the Contract, that will subject service provider to financial consequences as provided in Attachment C - Performance Metrics.

F. Service provider shall develop and conduct an annual Member survey to measure the Member's level of customer satisfaction. Service provider shall receive an acceptable satisfaction rating. Failure to comply will be a violation of the terms of the Contract, that will subject service provider to financial consequences as provided in Attachment C – Performance Metrics.

G. Service provider shall complete the annual Member survey by December 31st each year and provide the Department the annual Member survey results for each year within 60 Business Days. Failure to comply will be a violation of the terms of the Contract, that will subject service provider to financial consequences as provided in Attachment D - Contract Deliverables.

H. Service provider shall annually notify its SUSORP and SMSOAP Members of all Authorized Product Performance and Fees as directed by the Department. Failure to comply will be a violation of the terms of the Contract, that will subject service provider to financial consequences as provided in Attachment D - Contract Deliverables.

I. Within 30 Calendar Days after the end of each quarter, service provider shall make available to the Member a Quarterly Member Statement of the Member's account status. Failure to comply will be a violation of the terms of the Contract, that will subject service provider to financial consequences as provided in Attachment D – Contract Deliverables.

J. Within 30 Calendar Days of the Execution Date of this Contract, service provider shall provide the Department with a list of its on-site representatives. The list shall include, at a minimum, each on-site representative's name, certifications, licenses, and contact information. Service provider shall keep this list current throughout the term of this Contract and promptly provide the Department notice of any changes. Failure to comply will be a violation of the terms of the Contract, that will subject service provider to financial consequences as provided in Attachment D – Contract Deliverables.

K. Service provider shall provide informational sessions for SMSOAP members on an as needed basis.

4.3. **Authorized Products**

A. In accordance with section 121.35(6)(c), F.S., the SBA shall review and make recommendations to the Department on the acceptability of all investment related products proposed by provider companies.

B. Service provider shall only offer Authorized Products to Members. The Authorized Products are attached hereto and incorporated herein as Attachment B. Modifications to the Authorized Products can be made during the term of this Contract once reviewed by the SBA and approved by the Department, subject to payment of the fees specified in section 4.3.C below. Should the Department approve the modification, the Department and service provider shall then execute an amendment to this Contract to reflect the change. Service provider shall communicate any approved modifications to the List of Authorized Products provided in Attachment B to affected Members.

C. Service provider is required to periodically review the Authorized Products for performance and submit recommendations which will be reviewed by the SBA and approved or rejected by the Department. The Department may also periodically review the List of Authorized Products set forth in Attachment B. If the Department determines that an Authorized Product is no longer acceptable, the Department will notify the service provider. Service provider must discontinue the use of the product for the purposes of this Contract within 40 Business Days of notification.

1. If service provider proposes a replacement product based upon the terms set forth in this Contract, the service provider shall directly pay the SBA $ 250.00, per product review within 20 Business Days of receipt of the invoice from the Department.

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2. If the service provider proposes deleting a product based upon the terms set for in this Contract, the service provider shall directly pay the SBA $ 250.00, per product review within 20 Business Days of receipt of the invoice from the Department.

3. If the service provider requests an evaluation of the acceptability of the mix of service provider products, the service provider shall directly pay the SBA $40.00, per hour within 20 Business Days of receipt of the invoice from the Department.

4. Upon written notice to and approval from the Department, the service provider may alter guaranteed provisions and interest rates of fixed Authorized Products.

D. Mutual funds within Authorized Products shall not include investment related revenue sharing.

4.4. **Transaction Processing**

A. Service provider shall credit Contributions to the Member's account on the day the service provider receives the disbursement from the Department, provided the data and disbursement is determined to be in good order in accordance with service provider's good order notice policy. The service provider shall provide the Department with a copy of its in good order policy. Failure to comply will be a violation of the terms of the Contract, that will subject service provider to financial consequences as provided in Attachment C – Performance Metrics.

B. Service provider shall process member requests for fund-to-fund transfers within the same Business Day the request is received. Failure to comply will be a violation of the terms of the Contract, that will subject service provider to financial consequences as provided in Attachment C - Performance Metrics.

C. Service provider shall create a Suspense Account for the administration of gains and losses resulting from Corrections made to a Member's account.

D. Pursuant to the Department's review, should the Quarterly Reconciliation Report reflect that a Correction to a Member's account is needed, the Department will notify service provider and service provider shall make the Correction to a Member's account within 10 Business Days of notice by the Department. Failure to comply will be a violation of the terms of the Contract, that will subject service provider to financial consequences as provided in Attachment C - Performance Metrics.

E. Service provider will hold the Department and Members harmless for all cases where an Authorized Product is closed to future contributions (either by the service provider or a third party, such as an investment manager).

F. Distributions:

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1. Service provider shall maintain the Member's beneficiary designation information and process requests made by a Member's designated beneficiary for death benefits only upon the Member's death.

2. Service provider shall not make a Distribution to a Member or a Member's beneficiary in any manner other than as provided in sections 121.055 or 121.35, F.S.

3. Service provider shall not make a Distribution to a Member without prior Department approval. Failure to comply will be a violation of the terms of the Contract, that will subject service provider to financial consequences as provided in Attachment C – Performance Metrics.

4. After a Member terminates employment and requests a Distribution, service provider shall not proceed with the Distribution until the service provider receives approval from the Department for each:

   a. Retirement Distribution.

   b. Required Minimum Distribution (RMD).

   c. Refund of Voluntary Employee Contributions.

5. Service provider shall accurately and completely process Department-approved Distributions if all documentation is received within good order. Failure to comply will be a violation of the terms of the Contract, that will subject service provider to financial consequences as provided in Attachment C – Performance Metrics.

6. Service provider shall withhold taxes from Distributions made to a Member or a Member's beneficiary and other withholdings or requirements as may be imposed by law with respect to such Distributions.

7. The Distribution provisions of this Contract, as specified in subsection 4.4. F – Distributions**,** shall survive termination of this Contract until such time as there are no remaining Member assets on deposit in the Plans with the service provider.

G. Member Overpayments (Unauthorized Distributions)

1. If the service provider makes a Distribution to a Member or Member's beneficiary in a manner other than as provided for in sections 121.055 or 121.35, F.S., then the service provider shall retrieve the Distribution.

2. Upon notification by the Department of a Member overpayment, the service provider shall notify the Member to recapture any Distribution amounts paid without, or in excess of the Department approval within 90 Calendar Days.

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3. Service provider shall copy the Department on all correspondence (including emails) sent to the Member while recapturing any overpayments. Any correspondence to notify the Member of the overpayment recapture process or tax consequences, is herein after referred in this section as "overpayment recapture documentation."

4. Service provider shall provide overpayment recapture documentation to the Department within 20 Business Days of the correspondence date. Failure to comply will be a violation of the terms of the Contract, that will subject service provider to financial consequences as provided in Attachment D – Contract Deliverables.

5. Once the Member overpayment is recaptured, the service provider shall place the recaptured amount in the Member's account.

6. The service provider's refusal to attempt to recapture a Member overpayment (unauthorized Distribution) may result in an Event of Default.

7. The service provider shall code the Member's Internal Revenue Form 1099-R with a distribution code to reflect the entire amount as taxable income subject to additional taxes and penalties if the Member is less than 59 ½ years of age. The service provider shall notify the Member of the potential tax consequences. Upon request, copies of the overpayment recapture documentation pertaining to taxes shall be provided to the Department within 20 Business Days.

H. Social Security Number Discrepancies

1. The Department will notify the service provider that a Member has been reported under an incorrect Social Security Number by the Employer and the discrepancy has been resolved.

2. The service provider shall retrieve information from the Department's website to correct Social Security Number discrepancies in its system. The refusal to correct a Member's Social Security Number record may result in an Event of Default.

I. Contract Exchanges

1. Service provider shall restrict Contract Exchanges from a Member's account(s) to only Authorized Products within the Plan.

2. The Department agrees to keep current the list of service providers' Authorized Products for verification by the sending and receiving service providers.

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3. The sending service provider shall have the responsibility to confirm that the receiving service provider is authorized under the Plan and the receiving service provider shall restrict Contract Exchanges to only Authorized Products within the Plan. The sending service provider is also responsible for properly coding the transaction as a Contract Exchange. Failure to comply will be a violation of the terms of the Contract, that will subject service provider to financial consequences as provided in Attachment C - Performance Metrics.

4. Service provider may not apply contractual limitations and surrender charges to Contract Exchanges of a Member's account and to partial or lump sum transfers arising from the death of a Member.

5. Upon termination or expiration of this Contract, service provider may be required to transfer the Member's Account Balance to other service providers participating in the SUSORP or the SMSOAP at the sole discretion of the Department. The Account Balance of a Member's account to be transferred shall be determined without regard to Surrender Charges.

J. Member Termination Violation

1. When the Department notifies the service provider that a Member has violated the termination provisions as set forth in section 121.091 F.S., the service provider shall stop any recurring mutual fund payments to the Member during the first (1st) through sixth (6th) calendar months after the retirement Distribution date.

2. The Department will provide written authorization to the service provider to resume recurring mutual fund payments to the Member.

3. If it is determined that a Member will repay distributions made in violation of the termination provisions, the service provider will assist the Department with the calculation and deposit of such amounts.

K. Member Reemployment Violation

1. When the Department notifies the service provider that a Member has violated the reemployment provisions as set forth in section 121.091(9)(c), F.S., the service provider shall stop any recurring mutual fund payments to the Member during the seventh (7th) through twelfth (12th) calendar months after the retirement Distribution date.

2. The Department will provide written authorization to the service provider to resume recurring mutual fund payments to the Member.

3. If it is determined that a Member will repay distributions made in violation of the reemployment provisions, the service provider will assist the Department with the calculation and deposit of such amounts.

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L. Member Forfeiture

1. When the Department notifies the service provider that a Member is facing a possible forfeiture of benefits, service provider shall immediately place a hold on the Member's account and no Distributions shall be made from the account until the service provider receives written authorization from the Department.

2. In the event the Member forfeits benefits, within 10 Business Days of the Department's notice, the service provider shall return to the Department all Employer contributions and earnings in a Member's account.

3. Service provider shall return any funds remaining in the Suspense Account at the end of this Contract term to the SUSORP or SMSOAP Trust Fund.

M. Reporting Requirements

1. **Monthly Distribution Report** - Within 20 Business Days after the end of each month, service provider shall deliver to the Department a Monthly Distribution Report. The file format is provided in Attachment E- Monthly Distribution Report File Format. Failure to comply will be a violation of the terms of the Contract, that will subject service provider to financial consequences as provided in Attachment D – Contract Deliverables.

   The report coding shall separately identify:

   a. Member Distributions funded by required employee and employer contributions.

   b. Member Distributions funded by voluntary employee contributions only (Refund).

   c. Member Required Minimum Distributions (RMD).

   d. Member's beneficiary distributions.

   e. Qualified Domestic Relations Order (QDRO).

   f. Contract Exchanges.

2. **Quarterly Assets Under Management Report -** Within 20 Business Days after the end of each quarter, service provider shall provide a Quarterly Assets Under Management Report. This report shall include the total number of active and inactive Members and the total assets under management for SUSORP and SMSOAP in the recommended format as provided in Attachment F - Quarterly Assets Under Management Report Format or in such format that the Department approves in advance. Failure to comply will be a violation of the terms of the Contract, that will subject service provider to financial consequences as provided in Attachment D – Contract Deliverables.

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3. **Quarterly Authorized Product Performance and Fee Report** - Within 20 Business Days after the end of each quarter, service provider shall deliver to the Department a Quarterly Authorized Product Performance and Fee Report containing return information and fee disclosure for all mutual fund and annuities, non-proprietary and proprietary products. The investment fund performance data are to be reported to the Department within 20 Business Days after the end of each calendar year quarter (March 31st, June 30th, September 30th, and December 31st) in the recommended format as provided in Attachment G - Quarterly Authorized Product Performance and Fee Report Format or in such format that the Department approves in advance. Failure to comply will be a violation of the terms of the Contract, that will subject service provider to financial consequences as provided in Attachment D – Contract Deliverables.

   For each proprietary Authorized Product for which investment fund performance data are not independently available, service provider shall provide the following:

   a. Three (3) Month Total Return for the quarter then-ending.

   b. Year to Date Total Return for the current calendar year.

   c. Five (5) Year Total Return as of the quarter then-ending; expressed in terms of a compounded average annual return.

   d. Sharpe Ratio as of the quarter then-ending.

   e. Three (3) Year Standard Deviation as of the quarter then-ending.

   f. Annual Net Expense Ratio as of the last audited annual report.

   g. Manager Tenure of the fund, or average length of tenure if more than one manager.

4. **Quarterly Performance Metric Report** - Within 20 Business Days after the end of each quarter the service provider shall deliver to the Department a Quarterly Performance Metric Report that contains information on whether the service provider met the service level for the Performance Metrics; and all supporting data including each Performance Metric name, the agreed upon service level, the level achieved, and a detailed explanation of each Incident in which the service provider's performance did not meet the service level standard. Service provider shall submit a report in such format that the Department approves in advance. Failure to comply will be a violation of the terms of the Contract, that will subject service provider to financial consequences as provided in Attachment D – Contract Deliverables.

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5. **Quarterly Reconciliation Report** - Within 20 Business Days after the end of each quarter, service provider shall submit to the Department a Quarterly Reconciliation Report of contributions received and credited to each Member's account in the format as provided in Attachment H - Quarterly Reconciliation Report File Format. Failure to comply will be a violation of the terms of the Contract, that will subject service provider to financial consequences as provided in Attachment D – Contract Deliverables.

6. **Quarterly Suspense Account Report** - Within 20 Business Days after the end of each quarter, service provider shall provide a Quarterly Suspense Account Report that shall include the opening balance, all transactions during the quarter and the closing balance in such format that the Department approves in advance. Failure to comply will be a violation of the terms of the Contract, that will subject service provider to financial consequences as provided in Attachment D – Contract Deliverables.

7. **Annual SUSORP and SMSOAP Reports** - On or before March 1st of each calendar year, the service provider shall deliver to the Department an Annual Report for the previous period of January through December. One annual report shall contain SUSORP active and non-active funds; one annual report shall contain SMSOAP active and non-active funds in such format that the Department approves in advance. Failure to comply will be a violation of the terms of the Contract, that will subject service provider to financial consequences as provided in Attachment D – Contract Deliverables.

   Each report shall contain at a minimum:

   a. Total Contributions invested in each Authorized Product and all fees and expenses, including but not limited to commissions and surrender charges, charged to Members during the previous calendar year.

   b. A narrative and graphic report on the performance of the Authorized Products during the calendar year, with a summary of service provider's assessment of the current economic climate by asset class as it affects investment transactions.

   c. A narrative and graphic report to contain at a minimum Member participation by gender and age for investment assets and annual contributions.

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N. Information Sharing

1. Service provider shall maintain and make available to the Department, and other approved service providers, in the frequency required, the information intended to facilitate compliance with applicable plan requirements, including: (i) information regarding loans, loan amounts and default status; (ii) information regarding hardship distributions; (iii) information on cost basis; and (iv) additional information that may be required by the Department. Information shall be provided to the Department via the Monthly Distribution Report, Quarterly Reconciliation Report, and other reports required by the Department.

2. The information sharing provisions of this Contract shall survive termination of this Contract and shall continue until either each Member's account has been fully distributed (through one or more qualifying Contract Exchanges or distributions, which could include a qualifying distribution of an annuity contract from the Plan upon plan termination), or the Department and service provider have entered into a new contract governing the Member's account(s).

3. The number of reports may be expanded or contracted as required by the Department. Such changes will not be deemed Contract amendments.

5. DEPARTMENT OBLIGATIONS

5.1. The Department shall cause Contributions to be remitted in the amount elected by Members and authorized by law on each payroll date deposited in a depository bank designated by service provider.

5.2. The Department shall cooperate with service provider in reconciling amounts posted to Members' accounts with service provider.

5.3. The Department shall review Member requests for Distributions, and, if approved by the Department, will authorize the service provider to process approved Distributions.

5.4. The Department shall be responsible for a) the enrollment of new Members, b) processing requests from Members to change voluntary contribution rates and/or service providers, and c) approving Members' distribution application requests. The Department is currently in the process of automating the service provider distribution approval process and the service provider will be responsible for adhering to this process. See Attachment I - Member Distribution Application Process Maps for proposed changes.

5.5. The Department is responsible for interpreting the terms of the Plans and providing service provider with direction regarding the meaning of Plan provisions.

6. TRANSITION AND TERMINATION OF SERVICES

6.1. Transition Plans

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Service provider shall provide the following Transition Plans to the Department within the time frames specified below to ensure the continuity of services to Members:

A. **Proposed End of Contract Transition Plan.** Within three (3) months after the date of execution of this Contract, the service provider shall provide to the Department a Proposed End of Contract Transition Plan to transition services from the service provider to another service provider designated by the Department (new service provider). Failure to comply will be a violation of the terms of the Contract, that will subject service provider to financial consequences as provided in Attachment D – Contract Deliverables.

B. **Revised End of Contract Transition Plan.** Nine (9) months prior to the Contract expiration date, the service provider shall provide to the Department a revised End of Contract Transition Plan. The revised End of Contract Transition Plan shall be updated to include details regarding changes in services, personnel, hardware, software, or all other items utilized by, or matters relevant to service provider providing the services under this Contract. Failure to comply will be a violation of the terms of the Contract, that will subject service provider to financial consequences as provided in Attachment D – Contract Deliverables.

C. **Final End of Service Transition Plan.** In the event the Department elects to end or terminate the Contract, the service provider shall provide the Department with a Final End of Service Transition Plan within 60 Calendar Days of Department's notification to the service provider. Failure to comply will be a violation of the terms of the Contract, that will subject service provider to financial consequences as provided in Attachment D – Contract Deliverables.

6.2. **Transition Plans Content**

The Proposed End of Contract, Revised End of Contract and Final End of Service Transition Plans submitted shall include, at a minimum, key activities during the transition period and shall describe in detail the service provider's plan for:

A. Transitioning Members accounts and Account Balances from service provider to a new service provider.

B. Technology transition, including, but not limited to, the service provider's use of the Department's data reporting formats and schedules.

C. Communicating the transition, including service provider's recommendation of communication to Members and Employers.

D. Events and milestones relevant to an effective transition, and dates and times transition events will occur, and milestones to be achieved.

E. Steps, measures, and controls that will be employed by service provider to ensure minimal disruption of services and accurate transfer of assets during the transition period.

6.3. **Transition Assistance**

A. In addition to exercising an established Transition Plan, beginning nine (9) months prior to this Contract's expiration or the Termination Date (the date of any termination or expiration of this Contract), and continuing up to 12 months after the Termination Date, the Department is entitled to receive reasonable transition assistance services ("Transition Assistance"). The purpose of Transition Assistance is to enable a smooth transfer of the services to the Department or New Provider.

B. Service provider shall cooperate with the Department and/or the new service provider in connection with the transfer of the services to the Department and/or new service provider.

C. Service provider shall deliver to the Department and/or new service provider, upon request:

1. All documentation created for the purposes of providing the services, including but not limited to manuals, guidelines, data conversion plans, disaster recovery plans, file formats of incoming and outgoing files; and system-to-system interface definitions.

2. Explanation of current procedures and operations the service provider follows to provide the services.

3. Return of Department-owned materials being utilized by service provider.

4. Answers to questions related to the transition and migration of the services.

5. Other services, functions, or responsibilities that are inherent or necessary to the transition of services or to maintain the proper performance of the system.

6.4. **Compensation for Transition Assistance**

Transition assistance shall be provided at no cost to the Department, Members, or Employers.

6.5. **Survival**

This section survives termination of this Contract. To the extent any transition assistance is provided after the Termination Date, the terms and conditions of this Contract will govern the provision and payment of those services.

7. CONTRACT DELIVERABLES

7.1. Service provider shall provide to the Department the Contract Deliverables described in Section 4 – Scope of Work and Services and Section 6 Transition and Termination of Services within the established due dates, as provided in Attachment D – Contract Deliverables, at no additional cost to the Department.

7.2. The Department has authority over determining the acceptability of all Deliverables.

A. The Department's Contract Manager will accept each Deliverable (i.e., reports and any other item related to the performance of services covered under the Contract) when it meets the requirements of this Contract. Unless specifically provided for elsewhere in this Contract, the Department's Contract Manager will communicate acceptance of Deliverables to the service provider's Contract Manager within 10 Business Days.

B. In the case of non-acceptance, the Department's Contract Manager will provide written notice within 10 Business Days from receipt to the service provider's Contract Manager that includes detailed feedback to the service provider which identifies the reasons for non-acceptance.

C. Unless a different time period is specified in the Department's written notice, service provider will have 10 Business Days to cure the reasons for non-acceptance. Thereafter, the Department may pursue other remedies to resolve the reasons for non-acceptance, including those found in Section 8 – Event of Default.

7.3. Service provider shall provide a Corrective Action Plan for an issue, problem, non-compliance, or underperformance, at the Department's request. The Corrective Action Plan shall be submitted to the Department within 20 Business Days of the Department's request, or such other time as agreed between the Parties. Failure to comply will be a violation of the terms of the Contract, that will subject service provider to financial consequences as provided in Attachment D – Contract Deliverables.

8. EVENT OF DEFAULT

8.1. Service Provider Event of Default

A breach of a material obligation under this Contract constitutes an Event of Default on the part of the service provider. However, an Event of Default will not occur by service provider if failure to perform is the result of actions of the Department.

On the part of a service provider, an Event of Default includes:

A. Service provider employs an unauthorized alien in the performance of any work required under the Contract.

B. Service provider discontinues the performance of the services required under the Contract unless such discontinuance is due to an excused event, a suspension by the Department, or a Department event of default not timely cured.

C. Service provider abandons the services.

D. Service provider refusal to recapture a Member's Overpayment (Unauthorized Distribution).

E. Service provider refusal to correct a Member's Social Security Number record.

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F. Service provider becomes insolvent or is declared bankrupt.

G. Service provider files for reorganization under the bankruptcy code.

H. Service provider commits any act of bankruptcy or insolvency, either voluntarily or involuntarily.

I. Service provider fails to promptly pay any and all taxes or assessments imposed by and legally due to the State or Federal government except for any taxes formally disputed by the service provider.

J. Service provider makes an assignment for the benefit of creditors without the approval of the Department.

K. Service provider makes or has made an intentional material misrepresentation or omission in any materials provided to the Department.

L. Service provider (or any entity or person for which service provider is responsible) commits or engages in intentional torts, or willful misconduct (including intentional breach of Contract), unlawful conduct, gross negligence, or refusal to comply in relation to the Contract and/or the Scope of Work and Services, as specified in Section 4.

M. Service provider fails to maintain the required performance bond or letter of credit.

N. Service provider fails to maintain the required insurance.

O. The Department determines that the surety bond used to secure the service provider's performance of its obligations hereunder becomes unsatisfactory.

P. Service provider is suspended, debarred, or is removed as an authorized vendor by any State or Federal agency or an officer, employee, or agency of the service provider under the Contact is convicted of a felony.

Q. Service provider utilizes a vendor in the performance of the work required by the Contract which has been placed on the Department's Convicted Vendors List.

R. Service provider refuses to allow public access to all documents, papers, letters, or other material subject to the provisions of Chapter 119, F.S., made or received by the service provider in performance of the Contract and not otherwise deemed confidential, proprietary or a trade secret.

S. Service provider refuses to allow the State's Chief Financial Officer, Auditor General and/or the Department's authorized representatives access as required by the Contract.

T. Service provider relocates facilities containing State Data or transmits State Data outside the United States.

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U. Service provider changes Subcontractors without approval from the Department as provided in Section 13.

V. Service provider refuses to cure the reason for the Department's non-acceptance of a deliverable after the Department provided written notice.

8.2. **Department's Remedies in the Event of Default**

A. Subject to the notice and cure provisions herein and in Rule 60A-1.006 (3), F.A.C., and subject to the dispute resolution process in this Contract, upon the occurrence of an Event of Default on the part of the service provider, the Department may pursue any other remedy available under law; however, damages, including but not limited to Financial Consequences, already assessed would be taken into consideration in any dispute resolution activities.

B. If the Department determines, in its reasonable discretion, that an Event of Default has occurred pursuant to this section, the Department will provide the service provider with written notice of its determination, as well as a reasonable description of the Event of Default.

C. Unless a lesser time is required by law, the Department will provide the service provider with a reasonable period of time (not less than 20 Business Days, or such other time as agreed between the Parties) to cure the Event of Default (the "Cure Period").

D. If the service provider fails to cure the Event of Default within the Cure Period, the Department may terminate the Contract, in whole or in part, immediately upon expiration of the Cure Period or at any time thereafter by providing written notice thereof to the service provider.

E. At its option, the Department may require the service provider to submit a Corrective Action Plan to correct or resolve an Event of Default under this Contract. The Corrective Action Plan must provide:

1. A detailed explanation of the reasons for the cited Event of Default;

2. An assessment or diagnosis of the cause; and

3. A specific proposal and timeline to cure or resolve the Event of Default.

The Corrective Action Plan must be submitted to the Department within 20 Business Days of the Department's request or such other time as agreed between the Parties. The Corrective Action Plan is subject to approval by the Department, which will not unreasonably be withheld.

8.3. **Department's Event of Default**

The Department's failure to perform or delay in performing any of the Department's responsibilities under this Contract (or causing to be performed by the applicable third party) will not constitute grounds for termination of the Contract. Notwithstanding the

forgoing, the failure by the Department to timely pay amounts due and owing under the Contract will constitute a failure on the Department to perform. However, the service provider will be owed amounts allowable pursuant to section 215.422, F.S.

8.4. Vendor Ombudsmen

A Vendor Ombudsman has been established within the Department of Financial Services. The duties of this office are found in section 215.422, F. S., which include disseminating information relative to prompt payment and assisting vendors in receiving their payments in a timely manner from a Customer. The Vendor Ombudsman may be contacted at (850) 413-5516.

9. TERMINATION

9.1. Termination for Convenience

The Department shall have the right to terminate this Contract in the Department's sole discretion, without any cause or reason, upon giving 90 Calendar Days written notice to the service provider and specifying the Termination Date. Transition assistance will be provided by the service provider as specified in Section 6 – Transition and Termination of Services.

9.2. Termination by Mutual Consent

Service provider and the Department may terminate this Contract at any time by mutual consent in writing. Any claim of liability asserted against the State or the Department is subject to the limitations of section 768.28, F.S. Transition assistance will survive Contract termination as specified in Section 6 - Transition and Termination of Services.

9.3. Rights Cumulative, No Waiver

The rights and remedies provided and available to the Department and the service provider in this section are distinct, separate, and cumulative remedies, and no one of them, whether or not exercised by a Party, shall be deemed to be in exclusion of any other. The election of one remedy shall not be construed as a waiver of any other remedy. Neither Party waives its right to pursue all legal remedies or other remedies available under this Contract, at law or in equity.

No covenant, condition, duty, obligation, or undertaking contained in or made a part of the Contract may be waived except by the written agreement of the Parties; and a forbearance or indulgence in any other form or manner by either Party in any regard whatsoever shall not constitute a waiver of the covenant, condition, duty, obligation, or undertaking to be kept, performed, or discharged by the Party to which the same may apply.

10. PERFORMANCE METRICS

10.1. General Provisions

A. Service provider warrants that it will meet the Performance Metrics set forth in Attachment C of this Contract. Service provider shall proactively assess, and report Incidents related to all Performance Metrics that may trigger Financial Consequences. The service provider shall use a Quarterly Performance Metrics Report, the format of which shall be proposed by the service provider and is subject to the Department's approval.

B. The Department will review and approve the content and performance reported by the service provider. The Department, in its sole discretion, may waive the imposition of these Financial Consequences in a given instance. Such waiver, in any instance, shall not constitute a waiver in any future instance, nor establish any right on behalf of the service provider to a waiver.

10.2. **Financial Consequences**

A. Accurate and timely delivery of services for the Contract is imperative and, as a result, and pursuant to section 287.058, F.S., the Department will impose Financial Consequences as permitted herein upon the service provider for failure to provide services accurately (in accordance with Contract specifications and requirements) and/or timely (by specified due dates).

B. The resulting damages to the Department from a Performance Metrics violation are by their nature impossible to ascertain presently and will be difficult to ascertain in the future. The issues involved in determining such damages will be numerous, complex, and unreasonably burdensome to prove. The Parties acknowledge that these Financial Consequences are liquidated damages, exclusive of any right to other legal or equitable remedies, not intended to be a penalty and solely intended to compensate for unknown and unascertainable damages.

C. If the service provider fails to meet the Performance Metrics set forth in **Attachment C <u>or Contract Deliverables set forth in Attachment D</u>**, the service provider shall make a payment equal to the corresponding Financial Consequences to the appropriate SUSORP or SMSOAP Trust Fund.

11. COMPENSATION

Service provider shall provide all services, including its directed recordkeeping services, under this Contract at no cost to the Department. All compensation will be provided to the service provider by fees charged to the Members (i.e., no costs will be charged to the Department or Employer). The per-participant fee charged to Members will be <u>$18.00</u> annually. The service provider will receive the same per-participant fee for both SUSORP and SMSOAP Members.

12. SECURITY

12.1. Background Screening

In addition to any background screening required by the service provider as a condition of employment, the service provider warrants that it will conduct a criminal background screening of, or ensure that such a screening is conducted for, each of its employees, Subcontractor personnel, independent contractors, leased employees, volunteers,

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licensees or other person, hereinafter referred in this Section 12 – Security only as "Person" or "Persons," operating under their direction who directly perform services under the Contract, whether or not the Person has access to State Data, as well as those who have access, including indirect access, to State Data, whether or not they perform Services under the Contract. The service provider warrants that all Persons will have passed the Background Screening described herein before they have access to State Data or begin performing Services under the Contract. The look-back period for such background screenings will be for a minimum of six (6) years where six (6) years of historical information is available.

The minimum background check process will include a check of the following databases through a law enforcement agency, or a Professional Background Screener accredited by the National Association of Professional Background Screeners or a comparable standard:

A. Social Security Number Trace; and

B. Criminal Records (Federal, State and County criminal felony and misdemeanor, national criminal database for all states which make such data available).

The service provider agrees that each Person will be screened as a prior condition for performing Services or having access to State Data. The service provider is responsible for any and all costs and expenses in obtaining and maintaining the criminal background screening information for each Person described above. The service provider will maintain documentation of the screening in the Person's employment file. The Contractor will abide by all applicable laws, rules and regulations including, but not limited to the Fair Credit Reporting Act and/or any equal opportunity laws, rules, regulations or ordinances.

12.2. **Disqualifying Offenses**

If at any time it is determined that a Person has a criminal misdemeanor or felony record regardless of adjudication (e.g., adjudication withheld, a plea of guilty or nolo contendere, or a guilty verdict) within the last six (6) years from the date of the court's determination for the crimes listed below, or their equivalent in any jurisdiction, service provider is required to immediately remove that Person from any position with access to State Data or directly performing Services under the Contract. The disqualifying offenses are:

1. Identity theft.

2. Computer related or information technology crimes.

3. Fraudulent practices, false pretenses and frauds, and credit card crimes.

4. Forgery and counterfeiting.

5. Violations involving checks and drafts.

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6. Misuse of medical or personnel records.

7. Felony theft.

If the service provider finds a disqualifying offense for a Person within the last six (6) years from the date of the court's disposition, it may obtain information regarding the incident and determine whether that Person should continue providing Services under the Contract or have access to State Data. The service provider will consider the following factors only in making the determination: i) nature and gravity of the offense, ii) the amount of time that lapsed since the offense, iii) the rehabilitation efforts of the person and iv) relevancy of the offense to the job duties of the Person. If the service provider determines that the Person should be allowed access to State Data, then service provider shall maintain all criminal background screening information and the rationale for such access in the Person's employment file.

12.3. **Self-Disclosure**

The service provider shall ensure that all Persons have a responsibility to self-report to the service provider within three (3) Business Days a Criminal Finding or an updated court disposition of a Criminal Finding. The service provider shall notify the Department's Contract Manager within 24 hours of all details concerning any Criminal Finding or updated court disposition of such Criminal Finding as reported by a Person. The service provider shall immediately assess whether to disallow that Person access to any State Data or from directly performing services under the Contract. Additionally, the service provider shall require that all Persons complete an annual certification that they have not received any additional Criminal Findings and shall maintain that certification in the employment file.

12.4. **Refresh Screening**

The service provider shall ensure that all background screenings are refreshed every five (5) years from the time initially performed for each Person during the Term of the Contract.

12.5. **Quarterly Reporting**

The service provider is required to submit a written report to the Department's Contract Manager within 10 Business Days from the end of each quarter listing those Persons who have direct contact with Members who have been screened and attesting to the removal of those Persons with a Criminal Finding, if any.

12.6. **Duty to Protect State Data**

The service provider shall maintain the security of State of Florida confidential data exempt data or personal health data (hereinafter "State of Florida Data") including, but not limited to, a secure area around any display of such State of Florida Data or State of Florida Data that is otherwise visible. The service provider will also comply with all HIPAA requirements and any other state and federal rules and regulations regarding security of information. State of Florida Data cannot be disclosed to any person or entity that is not directly approved to participate in the Services.

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12.7. **Warranty of Security**

Unless otherwise agreed in writing, the service provider and its subcontractors will not perform any of the services from outside of the United States, and the service provider will not allow any State of Florida Data to be sent by any medium, transmitted, or accessed outside of the United States. For purposes of this subsection, "State of Florida Data" does not include media transmissions required to complete telephone or video calls for purposes of conducting business.

12.8. **Notification of Breach of Securit**y

The service provider must notify the Department as soon as possible, in accordance with the requirements of section 501.171, F.S., if applicable, and in all events within one (1) business day in the event the service provider discovers any State of Florida Data is breached, any unauthorized Access of State of Florida Data occurs (even by persons or companies with authorized Access for other purposes), any unauthorized transmission of State of Florida Data occurs, or of any credible allegation or suspicion of a material violation of the above. This notification is required regardless of the number of persons or type of State of Florida Data affected. The notification must be clear and conspicuous and include a description of the following:

(a) The incident in general terms.
(b) The type of information that was subject to the unauthorized Access and acquisition.
(c) The type and number of entities who were, or potentially have been affected by the breach.
(d) The actions taken by the service provider to protect the State of Florida Data from further unauthorized Access. However, the description of those actions in the written notice may be general so as not to further increase the risk or severity of the breach.

Access as referenced in this subsection shall mean review, inspect, approach, instruct, communicate with, store data in, retrieve data from, or otherwise make use of any data, regardless of type, form, or nature of storage. Access to a computer system or network includes local and remote access.

12.9. **Remedial Measures**

Upon becoming aware of an alleged security breach, service provider's Contract Manager must set up a conference call with the Department's Contract Manager. The conference call invitation must contain a brief description of the nature of the event. When possible, a thirty (30) minute notice will be given to allow Department personnel to be available for the call. If the designated time is not practical for the Department, an alternate time for the call will be scheduled. All available information must be shared on the call. The service provider must answer all questions based on the information known at that time and answer additional questions as additional information becomes known. The service provider must provide the Department with final documentation of the incident including all actions that took place. If the service provider becomes aware

of a security breach or security incident outside of normal business hours, the service provider must notify the Department's Contract Manager within one (1) business day.

12.10. **Indemnification (Breach of Warranty of Security)**
The service provider agrees to defend, indemnify, and hold harmless the Department, the State of Florida, its officers, directors and employees for any third-party claims, suits or proceedings related to a breach of the Warranty of Security. The service provider will include credit monitoring services at its own cost for those individuals affected or potentially affected by a breach of this warranty for a two (2) year period of time following the breach.

12.11. **Annual Certification**
The service provider is required to submit an annual certification demonstrating compliance with the Warranty of Security to the Department by December 31st of each Contract year.

13. SUBCONTRACTING

The service provider shall be fully responsible for all work performed under the Contract, including but not limited to planning, managing, implementing, operation, supporting, and warranties if applicable. If the service provider needs to subcontract for any services, the service provider shall submit a written request to the Department's Contract Manager. The written request shall include, but is not limited to, the following:

13.1. The name, address and other information identifying the Subcontractor.

13.2. A description of the services to be performed by the Subcontractor and why the service provider is unable to perform this service.

13.3. Time of performance of the identified service.

13.4. A description of how the service provider plans to monitor the Subcontractor's performance of the identified services.

13.5. Certification that the Subcontractor has all licenses and county authority, as applicable, and/or has satisfied all legal requirements to provide Services to the Department. Also, the service provider shall certify that the Subcontractor, if required by Florida law, is registered with or authorized by the Florida Department of State to transact business in the State of Florida**. For additional information, please visit the following website:** www.sunbiz.org.

13.6. Certification by the service provider that the Subcontractor has successfully engaged in the identified business for a specified period of time, has successfully completed work comparable in scope and specification to that required by the resultant contract, and is qualified both technically and financially to perform services via a subcontract.

13.7. A copy of the written subcontract agreement.

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13.8. Acknowledgement from the Subcontractor of the service provider's contractual obligation to the Department and that the Subcontractor agrees to comply with all terms and conditions of the Contract.

A. All Subcontractors must be approved in writing by the Department's Contract Manager before service provider is authorized to subcontract.

B. The service provider is solely responsible for ensuring that the Subcontractor performs as specified in the Contract. The service provider's use of a Subcontractor not approved by the Department's Contract Manager as provided above shall constitute an Event of Default. During the term of the Contract, and subject to prior written approval of the Department's Contract Manager (i.e., approval before services are provided by a Subcontractor), Subcontractors may be substituted or added.

14. CONTRACT EXPIRATION (RESPONSIBILITIES OF SERVICE PROVIDER)

At termination of the Contract, regardless of the reason for termination, the service provider will return all State Data in a standard electronic format of the State's choosing. This State Data shall include, but not be limited to, all electronic data captured by service provider related to this Contract. This shall be conducted as specified in the service provider's corresponding Transition Plan, or if the Transition Plan is silent as to the time required for such return, no later than 20 Business Days after termination of the Contract. Once all State Data has been returned and accepted by the Department, the service provider shall, to the extent allowed by law or internal document retention policies, erase, destroy, and render unrecoverable all State Data and certify in writing that these actions have been completed and that destruction has been performed according to National Institute of Standards, Special Publication 800-88, "Guidelines for Media Sanitization" (2006). This shall be done within 10 Business Days of written acceptance of the data by the Department's Contract Manager.

15. COMPLIANCE WITH LAWS

The service provider shall comply with all laws, rules, codes, ordinances, and licensing requirements that are applicable to the conduct of its business, including those of federal, state, and local agencies having jurisdiction and authority. By way of non- exhaustive example, Chapter 287, F.S., and Rule 60A-1, F.A.C., govern the Contract. By way of further non-exhaustive example, the service provider shall comply with section 247A(e) of the Immigration and Nationalization Act, the Americans with Disabilities Act, and all prohibitions against discrimination on the basis of race, religion, sex, creed, national origin, handicap, marital status, or veteran's status. Violation of such laws shall be grounds for Contract termination.

16. GEOGRAPHIC LOCATION OF DATA AND SERVICES

The State of Florida requires that all State Data generated, used, or stored by service provider pursuant to the prospective Contract will reside and remain in the U.S. and will not be transferred outside of the U.S. The State of Florida also requires that all services provided under the Contract, including call center or other help services, will be performed by persons located in the U.S.

17. PROPERTY AND OWNERSHIP RIGHTS - INTELLECTUAL PROPERTY

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The Parties do not anticipate that any intellectual property will be created as a result of this Contract. However, in such case as it is created, any intellectual property is subject to the following provisions:

17.1. Except as otherwise expressly provided in the Contract, anything by whatsoever designation it may be known, that is produced by, or developed in connection with, the Contract shall become the exclusive property of the of the State and may be copyrighted, patented, or otherwise restricted as provided by State or Federal law. Neither the service provider nor any individual employed under the Contract shall have any proprietary interest in the product.

17.2. With respect to each Deliverable or any other work product, including software developed pursuant to this Contract, that constitutes a work of authorship within the subject matter and scope of U.S. Copyright Law, 17 U.S.C. sections 102-105, such work shall be a "work for hire" as defined in 17 U.S.C. section 101 and all copyrights subsisting in such work for hire shall be owned exclusively by the Department on behalf the State. However, the State hereby grants service provider a royalty free, fully paid, worldwide, perpetual, non-exclusive, irrevocable license to use any Deliverables or work product for service provider's business purposes.

17.3. The foregoing shall not apply to preexisting software or other intellectual property.

17.4. The Department shall have full and complete ownership of all software developed pursuant to the Contract including without limitation.

A. The written source code.

B. The source code files.

C. The executable code.

D. The executable code files.

E. The data dictionary.

F. The data flow diagram.

G. The workflow diagram.

H. The entity relationship diagram.

I. All other documentation needed to enable the Department to support, recreate, revise, repair, or otherwise make use of the software.

17.5. The Department shall have ownership and complete access including but not limited to:

A. Operational plans, manuals, and guides.

B. Process and procedures documentation.

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C. Process design documents.

D. Operational schedules.

E. Data conversion documentation.

F. System-to-system interface design documentation.

G. File formats of incoming and outgoing files.

This ownership interest will continue after the expiration or termination of this Contract.

18. PERFORMANCE BOND

18.1. Prior to execution of this Contract, service provider will deliver to the Department's Contract Manager a Performance Bond or Irrevocable Letter of Credit in the amount of $2 million dollars. The bond or letter of credit shall be used to guarantee at least satisfactory performance by the service provider throughout the term of the Contract.

18.2. The bond shall be maintained throughout the term of the Contract, issued by a reliable surety company which is licensed to do business in the State of Florida, as determined by the Department, and must include the following conditions:

A. Obligee: The Department shall be named as the beneficiary of the bond. The insurer or bonding company shall pay losses suffered by the State of Florida directly to the Department.

B. Notice of Attempted Change: The service provider shall provide Department prior written notice or immediate notice upon knowledge of any attempt to cancel or to make any other material change in the status, coverage, or scope of the required bond or of the service provider's failure to pay bond premiums.

C. Premiums: The Department shall not be responsible for any premiums or assessments on the bond.

D. Purpose of Bond: The performance bond is to protect the Department and the State against any loss sustained through failure of the service provider's performance of the Services in accordance with the Contract.

18.3. The service provider shall not be entitled to payments or Member fees until the performance bond is in place and approved by the Department in writing.

18.4. Upon execution of the Contract and annually thereafter on the Execution Date anniversary, the service provider shall provide the Department with a surety bond continuation certificate or other acceptable verification that the bond is valid and has been renewed for an additional year.

18.5. The surety bond provided under this section shall be used solely to the extent necessary to satisfy the damage claims made by the State pursuant to the terms of the Contract. In no event shall the surety bond be construed as a penalty bond.

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18.6. As an alternative to the surety bond described in this section, the service provider may use an irrevocable letter of credit on an annually renewable basis, which in the reasonable judgment of the Department, provides substantially equivalent protection.

19. ANNUAL APPROPRIATIONS

The State's performance and obligation to pay under this Contract are contingent upon appropriations by the Legislature. If appropriations are required, the Department shall affirmatively take all reasonable steps to seek such appropriations but shall not guarantee the securing of the appropriations.

The Parties acknowledge and agree that there is no intent to violate section 216.311, F.S., with the execution of this Contract and that any provision deemed to violate this statutory provision shall be null and void, shall be stricken from this Contract and the remainder of the Contract shall remain in full force and effect.

20. WARRANTY

Service provider warrants that it has all necessary licenses, approvals, and certificates of authority to engage in the business of offering the Authorized Products in the State of Florida.

Service provider warrants that no person shall enroll Members on its behalf or provide other services with regard to the SUSORP or SMSOAP without having all necessary licenses to meet applicable legal requirements. Service provider shall be responsible for assuring that the enrolling agents are licensed as may be required by law to market its Authorized Products by the State of Florida, the Internal Revenue Service, the Securities and Exchange Commission, the National Association of Securities Dealers, or other appropriate agency.

21. INSURANCE REQUIREMENTS

21.1. **Insurance Coverage**

Commencing no later than five (5) Business Days after execution of this Contract, the service provider shall, at its own expense, secure and maintain the insurance coverage required by law and explicitly required by this section and shall provide certificates of insurance as proof to the Department. Performance may not commence on this Contract until such time as insurance is secured by the service provider and evidence provided to the Department.

A. Commercial General Liability

Service provider shall secure and maintain commercial general liability insurance in a face amount of $1,000,000 per occurrence and $2,500,000 in the aggregate. The Department shall be named as an additional insured in the general liability coverage policy.

B. Workers' Compensation Insurance

Service provider shall secure and maintain workers' compensation insurance as required for the State under the relevant workers' compensation law. The worker's compensation insurance shall cover all employees connected with the

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Services provided under this Contract. In case any work is sublet, service provider shall require the Subcontractor similarly to provide worker's compensation insurance for all of the Subcontractor's employees unless such employees are covered by the protection afforded by service provider. Such insurance shall comply fully with the Federal and Florida worker's compensation law. In case any class of employees engaged in hazardous work under this Contract at the site of the project is not protected under the worker's compensation statute, service provider shall provide, and cause each Subcontractor to provide, adequate insurance, satisfactory to the Department, for the protection of employees not otherwise protected.

C. Professional Indemnity Insurance

Service provider shall secure and maintain professional indemnity insurance that shall cover service provider's liability for acts, errors, and omissions in the performance of its professional services in the face amount of $5,000,000 per claim and in the aggregate.

D. Auto Insurance

Service provider shall secure and maintain liability coverage in minimum limits of $2,000,000 (with umbrella) on all service provider's automobiles used in performing the services under the Contract.

E. Subcontractor Provider Insurance Coverage

1. Any Subcontractor of service provider shall provide insurance as follows:

   a. General Liability - $2,500,000 in the aggregate.

   b. Workers' Compensation - statutorily required amount

   c. Automobile Liability (with umbrella) - $2,000,000

2. Service provider's major Subcontractors shall provide the following additional insurance:

   a. Professional Indemnity Insurance - $2,500,000.

   b. Business Interruption - $2,500,000.

During the term of the Contract, service provider may request that the Department reduce Subcontractor provider insurance coverage amounts. Agreement to reduce such insurance coverage amounts shall be made via contract amendment.

21.2. **Proof of Insurance**

At the request of the Department, service provider shall provide all relevant certificates as proof of such insurance or proof of its ability to self-insure, including renewal or

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replacement evidence of insurance at least 10 Business Days following the expiration or termination of any insurance.

21.3. **Deductible Amounts**

Service provider shall be responsible for payment of its insurance deductible.

22. E-VERIFY

The service provider (and its subcontractors) has an obligation to utilize the U.S. Department of Homeland Security's (DHS) E-Verify system for all newly hired employees in accordance with section 448.095, F.S. By executing this Contract, the service provider certifies that it is registered with and uses the E-Verify system for all newly hired employees in accordance with section 448.095, F.S.. The service provider must obtain an affidavit from its subcontractors in accordance with paragraph (2)(b) of section 448.095 F.S. and maintain a copy of such affidavit for the duration of the Contract. In order to implement this provision, the service provider shall provide a copy of its DHS Memorandum of Understanding (MOU) or company profile page in the E-Verify system to the Department's Contract Manager within five (5) Business Days of Contract execution.

This section serves as notice to the service provider regarding the requirements of section 448.095, F.S., specifically sub-paragraph (2)(c)1, and the Department's obligation to terminate the Contract if it has a good faith belief that the service provider has knowingly violated section 448.09(1), F.S. If terminated for such reason, the service provider will not be eligible for award of a public contract for at least one year after the date of such termination. The Department will promptly notify the service provider and order the immediate termination of any contract between the service provider and a subcontractor performing work on its behalf should the Department develop a good faith belief that the subcontractor has knowingly violated section 448.095(1), F.S.

23. SCRUTINIZED COMPANIES LIST

In accordance with the requirements of section 287.135(5), F.S., the Contractor certifies that it is not participating in a boycott of Israel. At the Department's option, the Contract may be terminated if the Contractor is placed on the Quarterly List of Scrutinized Companies that Boycott Israel (referred to in statute as the "Scrutinized Companies that Boycott Israel List") or becomes engaged in a boycott of Israel.

The State Board of Administration maintains the "Quarterly List of Scrutinized Companies that Boycott Israel" at the following link:
https://www.sbafla.com/fsb/FundsWeManage/FRSPensionPlan/GlobalGovernanceMandates.aspx.

In accordance with the requirements of section 287.135, F.S., the Contractor certifies that it is not on the Scrutinized List of Prohibited Companies (referred to in statute as the "Scrutinized Companies with Activities in Sudan List" and the "Scrutinized Companies with Activities in the Iran Petroleum Energy Sector List") and, to the extent that it is not preempted by Federal law, that it has not been engaged in business operations in Cuba or Syria. At the Department's option, the Contract may be terminated if such certification (or the certification regarding a boycott of Israel) is false, if the Contractor is placed on the Scrutinized List of Prohibited Companies, or, to the extent not preempted by Federal law if the Contractor engages in business operations in Cuba or Syria.

The State Board of Administration maintains the "Scrutinized List of Prohibited Companies" under the quarterly reports section at the following link:
https://www.sbafla.com/fsb/PerformanceReports.aspx.

24. INDEMNIFICATION

The Department is a state agency or political subdivision as defined in section 768.28, F.S., and agrees to be fully responsible for acts and omissions of their own agents or employees to the extent permitted by law. Nothing herein is intended to serve as a waiver of sovereign immunity by either Party to which sovereign immunity may be applicable. Further, nothing herein shall be construed as consent by a state agency or political subdivision of the State of Florida to be sued by third parties in any matter arising out of this Contract or any other contract.

25. CONVICTED AND DISCRIMINATORY VENDORS LIST

In accordance with sections 287.133 and 287.134, Florida Statutes (F.S.), an entity or affiliate who is on the Convicted Vendor List or the Discriminatory Vendor List may not perform work as a contractor, supplier, subcontractor, or consultant under this Contract.

26. DISPUTE RESOLUTION, GOVERNING LAW and VENUE

26.1. Any dispute concerning performance of the terms of this Contract shall be resolved informally by the Contract Managers. During the course of dispute discussion, all reasonable requests made by one Party to the other for non-privileged information reasonably related to the matters in dispute will be honored promptly.

26.2. If the Parties are unable to resolve any disputes at the Contract Manager level, any dispute concerning performance of the Contract shall be decided by the Department's Secretary or designee, who shall reduce the decision to writing and serve a copy on the service provider. The decision shall be final and conclusive unless within 21 calendar days from the date of receipt, the service provider files with the Department a petition for administrative hearing. The Department's decision on the petition shall be final, subject to the service provider's right to administrative review pursuant to Chapter 120, F.S. Exhaustion of administrative remedies is an absolute condition precedent to the service provider's ability to pursue any other form of dispute resolution; provided, however, that the Parties may employ the alternative procedures outlined in Chapter 120, F.S.

26.3. Without limiting the foregoing, either Party may seek judicial review; and the exclusive venue of any legal or equitable action that arises out of or relates to the Contract shall be the appropriate state court in Leon County, Florida; in any such action, the Parties waive any right to jury trial and the Contract, including its formation, performance, enforcement and termination, and all aspects of the Parties' relationship under the Contract, together with all related claims (whether sounding in contract, tort or otherwise), will be governed, construed and enforced in all respects in accordance with the Laws of the State of Florida excluding Florida's conflict of law principles.

26.4. Complaints against service provider by Members or by potential members shall be reported to and resolved by the Department's designee.

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26.5. Service provider complaints by or against other service providers shall be reported to and be resolved by the Department or its designee. Upon receipt of such complaints, the Department shall conduct such investigation as it deems necessary and shall notify the Parties of its findings and proposed resolution.

27. ACCESS TO PUBLIC RECORDS

The Department may unilaterally terminate this Contract if the service provider refuses to comply with this Section 28 by not allowing public access to all public records, as defined in Chapter 119, F. S., made or received by the service provider in conjunction with the Contract**.**

28. CONTRACTOR AS AGENT

Solely for the purposes of this section, the Contract Manager is the agency's custodian of public records. If, under this Contract, the service provider is providing services and is acting on behalf of a public agency, as provided by section 119.0701, Florida Statutes, the service provider shall:

28.1. Keep and maintain public records required by the public agency to perform the service.

28.2. Upon request from the public agency's custodian of public records, provide the public agency with a copy of the requested records or allow the records to be inspected or copied within a reasonable time at a cost that does not exceed the cost provided in Chapter 119, F.S., or as otherwise provided by law.

28.3. Ensure that public records that are exempt or confidential and exempt from public records disclosure are not disclosed except as authorized by law for the duration of the Contract term and following the completion of the Contract if the service provider does not transfer the records to the public agency.

28.4. Upon completion of the Contract, transfer, at no cost, to the public agency all public records in possession of the service provider or keep and maintain public records required by the public agency to perform the service. If the service provider transfers all public records to the public agency upon completion of the Contract, the service provider shall destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. If the service provider keeps and maintains public records upon completion of the Contract, the service provider shall meet all applicable requirements for retaining public records. All records stored electronically must be provided to the public agency, upon request from the public agency's custodian of public records, in a format that is compatible with the information technology systems of the public agency.

28.5. **IF THE CONTRACTOR HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO THE CONTRACTOR'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS CONTRACT, CONTACT THE CUSTODIAN OF PUBLIC RECORDS AT THE TELEPHONE NUMBER, EMAIL ADDRESS AND MAILING ADDRESS PROVIDED FOR THE CONTRACT MANAGER.**

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29. IDENTIFICATION AND PROTECTION OF CONFIDENTIAL INFORMATION.

Article 1, section 24, Florida Constitution, guarantees every person access to all public records, and section 119.011, F.S., provides a broad definition of "public record." As such, records submitted to the Department (or any other State agency) are public records and are subject to disclosure unless exempt from disclosure by law. If the Service Provider considers any portion of records it provides to the Department (or any other State agency) to be trade secret or otherwise confidential or exempt from disclosure under Florida or federal law ("Confidential Information"), the Service Provider shall mark the document as "confidential" and simultaneously provide the Department (or other State agency) with a separate, redacted copy of the record. For each portion redacted, the Service Provider should briefly describe in writing the grounds for claiming exemption, including the specific statutory citation for such exemption. The Service Provider shall only redact portions of records that it claims are Confidential Information.

In the event of a request for public records pursuant to Chapter 119, F.S., the Florida Constitution, or other authority, to which records that are marked as "confidential" are responsive, the Department will provide the Service Provider-redacted copy to the requestor. If a requestor asserts a right to the redacted Confidential Information, the Department will notify the Service Provider such an assertion has been made. It is the Service Provider's responsibility to take the appropriate legal action to assert that the information in question is exempt from disclosure under Chapter 119, F.S., or other applicable law.

If the Department becomes subject to a demand for discovery or disclosure of documents that are marked as "confidential" in a legal proceeding, the Department will give the Service Provider notice of the demand or request. The Service Provider shall take the appropriate legal action in response to the demand and to defend its claims of confidentiality. If the Service Provider fails to take appropriate and timely action to protect the records it has designated as Confidential Information, the Department will provide the unredacted records to the requester.

The Service Provider shall protect, defend, and indemnify the Department for all claims, costs, fines, and attorneys' fees arising from or relating to the Service Provider's determination that the redacted portions of its records are Confidential Information. If the Service Provider fails to submit a redacted copy in accordance with this section, of information it claims is Confidential Information, the Department is authorized to produce the entire record submitted to the Department in response to a public records request for, or demand for discovery or disclosure of, these records.

30. COOPERATION WITH THE INSPECTOR GENERAL

Pursuant to section 20.055(5), F.S., service provider and any subcontractors understand and will comply with their duty to cooperate with the inspector general in any investigation, audit, inspection, review, or hearing.

31. RECORDS

The service provider shall establish and maintain accounting records. The service provider shall permit and shall require its Subcontractors and agents to permit the State's Chief Financial Officer, Auditor General or the Department's authorized representatives to, upon statutory or otherwise reasonable notice to the service provider and during normal business hours, inspect and audit all work, books, accounts, materials, payrolls, records pertaining to this Contract to ensure compliance with applicable laws and rules.

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32. AUDITS

32.1. The Department may conduct or have conducted performance and/or compliance audits of any and all areas of the service provider and/or Subcontractors as determined by the Department including, but not limited to, audits of payments made to the service provider pursuant to the Contract, transaction fee obligations, and any other activities related to this Contract. Except in emergency situations, prior notice of at least 10 Business Days shall be provided for audits conducted at the service provider's (or a Subcontractor's) premises. Audits may include, but shall not be limited to, audits of policies, procedures, computer systems, files, project-related subcontracts, and the Department's service records, accounting records, internal audits, and quality control assessments. The Department may, upon reasonable notice, enter and inspect the service provider's (or a Subcontractor's) physical facilities where operations required under this Contract are performed. The service provider (and, as applicable, Subcontractor) shall work with any representative selected by the Department to conduct said audits and inspections, including but not limited to, other state agencies, but excluding any competitor of the service provider.

32.2. **Retention of Records:** The service provider shall maintain certain records related to its performance of the Contract until the expiration of five (5) years after final payment of all amounts due under this Contract and all pending matters hereunder are closed (collectively, the "Audit Period"). The service provider shall maintain at least until the end of the Audit Period all pertinent financial and accounting records (including time sheets and payroll records, cost records and any other information pertaining to this Contract and to the services, equipment, and commodities provided under this Contract) pertaining to the Contract in accordance with generally accepted accounting principles and other Contract-related procedures specified herein. Financial and accounting records shall be made available, upon request, to the State upon reasonable notice during the Audit Period. If an audit, litigation, or other action involving the service provider's records is initiated before the end of the Audit Period, the records must be retained until all issues arising out of the audit, litigation, or other action are resolved or until the end of the Audit Period, whichever is later. Notwithstanding the foregoing, the service provider shall comply with the record access provisions of Chapter 119, F.S., and the record keeping standards of the Rules of the Department of State, Division of Library and Information Services, according to F.A.C., Code Chapter 1 B-24.

32.3. The Department may conduct an audit and review all the service provider's (and Subcontractors') data and records that directly relate to the Contract services. To the extent necessary to verify the service provider's fees and claims for payment under the Contract, the service provider's agreements or contracts with Subcontractors, partners or agents of the service provider, pertaining to this Contract and the Services, may be inspected by the Department upon a 10 Business Day notice, during normal working hours, and in accordance with the service provider's facility access procedures where facility access is required. The service provider confirms that release statements from its Subcontractors, partners or agents are not required for the Department or its designee to conduct compliance and performance audits on any of the service provider's contracts relating to this Contract.

32.4. The following records are specifically excluded from inspection, copying, and audit rights under the Contract:

A. Records of the service provider (and Subcontractors) that are unrelated to the Contract, and

B. Documents created by and for the Department or other communications related thereto that are confidential attorney work product or subject to attorney-client privilege, unless those documents would be required to be produced for inspection and copying by the Department under the requirements of Chapter 119, F.S., and Article I, Section 24, Florida Constitution.

C. The service provider's, or any Subcontractor of the service provider's, internal cost and resource utilization data, or data related to employees, or records related to other customers of the service provider, or any Subcontractor of the service provider who is not performing services under this Contract.

32.5. The right of the Department to perform audits and inspections shall continue for as long as the service provider is required to maintain records. The Department will use reasonable efforts to minimize the number and duration of such audits or inspections conducted and to conduct such audits and inspections in a manner that will minimize the disruption to the service provider's business operations.

32.6. Upon reasonable notice by the Department and for good cause stated, service provider shall permit an audit by the Department of its financial condition.

32.7. Information disclosed during an audit or inspection is subject to disclosure pursuant to Chapter 119, F.S.

33. CONTRACT DOCUMENTS AND HIERARCHY

This Contract sets forth the entire understanding of the Parties and consists of the documents listed below. In the event any of these documents conflict, the conflict will be resolved in the following order of priority (highest to lowest):

- Any amendments to this Contract in reverse order
- This Contract document,
- Attachments A, B, C, D, E, F, G, H, and I, in alphabetical order
- The General Contract Conditions (PUR 1000, 2006 version), which are incorporated by reference and can be accessed at: https://www.dms.myflorida.com/business_operations/state_purchasing/state_agency_resources/state_purchasing_pur_forms

34. PUR 1000 GENERAL CONDITIONS AND INAPPLICABLE PROVISIONS

34.1. With the exception of the provisions listed below, the PUR 1000 is incorporated into this Contract as terms and conditions:

A. Section 2. Purchase Orders

B. Section 4. Price Changes Applicable only to Term Contracts

C. Section 14. Transaction Fee

D. Section 27. Purchase Order Duration

35. SECTION 508 COMPLIANCE

The service provider will comply with section 508 of the Rehabilitation Act of 1973, as amended and 29 U.S.C. s. 794(d), including the regulations set forth under 36 C.F.R. part 1194. Section 282.601(1), F.S., states that "state government shall, when developing, competitively procuring, maintaining, or using electronic information or information technology acquired on or after July 1, 2006, ensure that State employees with disabilities have access to and are provided with information and data comparable to the access and use by State employees who are not individuals with disabilities."

36. REVIEW AND MODIFICATION

36.1. Upon request of either Party, the Parties will review this Contract in order to determine whether its terms and conditions are still appropriate. The Parties agree to renegotiate terms and conditions hereof if it is mutually determined that significant changes in this Contract are necessary. There are no obligations to agree by either Party.

36.2. Modifications to the provisions of this Contract, with the exception of Section 3 – Contract Management shall be valid only through execution of a formal written amendment to the Contract.

37. AUTHORIZED SIGNATORY

The Parties agree that only authorized signatories may execute amendments to this Contract. The Department's authorized signatory is the Secretary or designee.

The service provider's authorized signatory is Timothy O'Donnell.

38. COUNTERPART SIGNATURES

This Contract may be executed in several counterparts, each of which shall be an original and all of which taken together constitute a single Contract between the Parties.

39. EFFECTIVE DATE

The effective date of this Contract shall be the date last ascribed herein below.

SO AGREED by the Parties' authorized representatives on the dates noted below:

FLORIDA DEPARTMENT OF MANAGEMENT SERVICES

DocuSigned by:

David DiSalvo

David DiSalvo, Director
Division of Retirement

4/23/2021 | 5:27 PM EDT

Date

TEACHERS INSURANCE AND ANNUITY ASSOCIATION OF AMERICA

DocuSigned by:

Timothy O'Donnell

Signature

Timothy O'Donnell Managing Director

Print Name and Title

4/23/2021 | 4:53 PM EDT

Date

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ATTACHMENT INDEX

ATTACHMENT A: SUSORP Plan Document
ATTACHMENT B: List of Authorized Products
ATTACHMENT C: Performance Metrics
ATTACHMENT D: Contract Deliverables
ATTACHMENT E: Monthly Distribution Report File Format
ATTACHMENT F: Quarterly Asset Under Management Report Format
ATTACHMENT G: Quarterly Authorized Product Performance and Fee Report Format
ATTACHMENT H: Quarterly Reconciliation Report File Format
ATTACHMENT I: Member Distribution Application Process Maps

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ATTACHMENT A - SUSORP PLAN DOCUMENT

FLORIDA
STATE UNIVERSITY SYSTEM
OPTIONAL RETIREMENT PROGRAM
PLAN DOCUMENT

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APPENDIX A 27

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1. DEFINITION OF THE TERMS USED.

The following words and terms, when used in the State University System Optional Retirement Program (SUSORP) Plan Document, have the meaning set forth below, unless a different meaning is plainly specified or required by the context.

1.1 **Account**: The account maintained for the benefit of any Member or Beneficiary under an Annuity Contract or a Custodial Account.

1.2 **Account Balance**: The total benefit to which a Member or the Member's Beneficiary is entitled under an Investment Arrangement, taking in account all Contributions made to the Investment Arrangement and all earnings or losses (including expenses) that are allocable to the Member's Account, any rollover contributions or transfers held under the Member's Account and any Distribution made to the Member, the Member's Beneficiary, or any Alternate Payee. The Account Balance includes any part of the Member's Account that is treated under the Plan as a separate contract to which section 403(c) applies (or another applicable provision of the Internal Revenue Code, hereafter referred to as the Code).

1.3 **Accumulated Benefit**: The sum of a Member's or Beneficiary's Account Balances under all Investment Arrangements under the Plan.

1.4 **Administrator**: Florida Department of Management Services; also referred to as the Department.

1.5 **Annuity Contract**: A nontransferable group or individual contract as defined in section 403(b)(1) and 401(g) of the Code, established for each Member by the Employer or Administrator, or by each Member individually, that is issued by an insurance company or other company qualified to issue annuities in Florida and that includes payment in the form of an annuity.

1.6 **Beneficiary**: The designated person who is entitled to receive Benefits under the Plan after the death of a Member, subject to such additional rules as may be set forth in the Individual Agreements with a Service Provider.

1.7 **Benefit**: A Distribution of any or all of the Member's account balance that is requested by the Member or surviving Beneficiary funded in part or in whole by Employer or required Member Contributions, plus earnings, and includes rolling a Distribution over to another qualified plan.

1.8 **Internal Revenue Code**: The Internal Revenue Code of 1986, as now in effect or as hereafter amended. All citations to sections of the Code are to such sections as they may from time to time be amended or renumbered, also referred to as the Code unless quoted in the Florida Statutes.

1.9 **Compensation**: As defined in section 121.021(22) Florida Statutes (F.S.) means "the monthly salary paid a member by his or her employer for work performed arising from that employment.

(a) Compensation shall include:

1. Overtime payments paid from a salary fund.
2. Accumulated annual leave payments.
3. Payments in addition to the employee's base rate of pay if all the following apply:

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a. The payments are paid according to a formal written policy that applies to all eligible employees equally;

b. The policy provides that payments shall commence no later than the 11th year of employment;

c. The payments are paid for as long as the employee continues his or her employment; and

d. The payments are paid at least annually.

4. Amounts withheld for tax sheltered annuities or deferred compensation programs, or any other type of salary reduction plan authorized under the Plan.

5. Payments made in lieu of a permanent increase in the base rate of pay, whether made annually or in 12 or 26 equal payments within a 12-month period, when the member's base pay is at the maximum of his or her pay range. When a portion of a member's annual increase raises his or her pay range and the excess is paid as a lump sum payment, such lump sum payment shall be compensation for retirement purposes."

1.10 **Contributions:** Employer and Member Contributions provided by the Department to the Service Provider for investing in the SUSORP.

1.11 **Custodial Account**: The group or individual Custodial Account or accounts, as defined in section 403(b)(7) of the Code, established for each Member by the Employer, Administrator or by each Member individually, to hold assets of the Plan.

1.12 **Contract Exchanges:** To allow Members to change the investment of their account balances among the Service Providers under the Plan.

1.13 **De Minimis Distributions:** According to the group or individual Custodial Account or Accounts, an automatic Distributions made when an inactive Member's Account is below a certain balance. The member receiving a De Minimis Distribution is not considered a Retiree based on the payment.

1.14 **Distribution**: The Benefits payable to any Member under the optional retirement program and any contribution accumulated under the optional retirement program.

1.15 **Distribution Eligibility Requirement**: To be eligible for a Distribution the Member must terminate employment and cease all employment relationships, independent contractor relationships and third-party relationships for three (3) calendar months with all Employers that participate in the Florida Retirement System. The Member must also meet the Termination requirements and reemployment limitations after receiving a Distribution in accordance with 121.051(2)(c)5 F.S.:

"Members of the program are subject to the same reemployment limitations, renewed membership provisions, and forfeiture provisions applicable to regular members of the Florida Retirement System under ss. 121.091(9), 121.122, and 121.091(5), respectively. A member who receives a program distribution funded by employer and required employee contributions is deemed to be retired from a state-administered retirement system if the member is subsequently employed with an employer that participates in the Florida Retirement System."

1.16 **Effective Retirement Date:** The initial date of Distribution of required Member and/or Employer contributions, excluding a Required Minimum Distribution (RMD), Qualified Domestic Relations Order (QDRO) or De Minimis Distributions.

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1.17 **Elective Deferral**: Are Voluntary Employee Contributions considered to be Employer Contributions made to the Plan at the election of the Member in lieu of receiving cash compensation.

1.18 **Eligible Employee**: Each employee eligible to participate and benefit from this Plan in accordance with section 121.35(2), F. S.:

"2(a) Participation in the optional retirement program provided by this section shall be limited to persons who are otherwise eligible for membership or renewed membership in the Florida Retirement System and who are employed in one of the following State University System positions:

1. Positions classified as instructional and research faculty which are exempt from the career service under the provisions of s. 110.205(2)(d).
2. Positions classified as administrative and professional which are exempt from the career service under the provisions of s. 110.205(2)(d).
3. The Chancellor and the university presidents.

2(b) For purposes of this section, both the appointees and employees are referred to as "employees," and the "employer" of an appointee or employee is the individual institution within the State University System or the Board of Governors of the State University System, whichever is appropriate with respect to the particular employee or appointee.

2(c) For purposes of this section, the Department of Management Services is referred to as the "department.

2(d) For purposes of this section, the authority granted to the Board of Governors of the State University System may be exercised by the Board of Governors or by the Chancellor of the State University System."

1.19 **Employee**: Each individual, whether appointed or elected, who is a common law Employee of the Employer performing services for a state university system as an Employee of the Employer. This definition is not applicable unless the Employee's compensation for performing services is paid by the Employer. Further, a person occupying an elective or appointive public office is not an Employee performing services for a state university system unless such office is one to which an individual is elected or appointed only if the individual has received training, or is experienced, in the field of education. A public office includes any elective or appointive office of a state or local government.

1.20 **Employer**: An entity that is part of the Florida Retirement System (FRS) and actively contributes on behalf of its Employees. To the extent provided in 121.021 (10) F.S., "Employers are not agents of the department, the state board, or the Division of Retirement (division), and the department, the state board, and the division are not responsible for erroneous information provided by representatives of Employers." "Employer" also includes all Related Employers that are eligible Employer within the meaning of section 1.403(b)-2(b)(b) of the Treasury Regulations. See also Related Employer 1.31

1.21 **Florida Retirement System**: A 401(a) general multiple-employer retirement system established on December 1, 1970 by Chapter 121, F.S. (Florida Retirement System (FRS) Act). To the extent provided in 121.021(3), F.S. the FRS includes, "but is not limited to, the defined benefit program administered under Chapter 121, F.S. part I, referred to as the "Florida Retirement System Pension Plan" or "pension plan," and the defined contribution program administered under part II of

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this chapter, referred to as the "Florida Retirement System Investment Plan" or "investment plan." Abbreviated as FRS.

1.22 **Florida Statutes**: The Florida Statutes, as now in effect or as hereafter amended. All citations to section of the Florida Statutes are to such sections as they may from time to time be amended or renumbered (abbreviated as F.S.).

1.23 **Individual Agreement**: The agreements between a Service Provider and a Member that constitute or govern a Custodial Account or an Annuity Contract.

1.24 **Investment Arrangement**: An Annuity Contract or Custodial Account that satisfies the requirement of section 1.402(b)-3 of the Treasury Regulations and that is issued or established for funding amounts held under the Plan.

1.25 **Members**: Employees for whom Contributions are currently being made or for whom Contributions have previously been made under the Plan and who have not received a Distribution of their Benefits under the Plan as referenced in Regs. s. 1.403(b)-2(b)(12), and s. 1.403(b)-4(b)(4). Also referred to as a Participants.

1.26 **Participants**: See Members 1.25.

1.27 **Plan**: The Florida's State University System Optional Retirement Program (SUSORP), or Optional Retirement Program for the State University System of Florida.

1.28 **Plan Employer**: An FRS employer that is part of the State University System of Florida or other FRS participating Employers, and that makes Contributions to this Plan.

1.29 **Plan Year**: The fiscal year commencing each July 1 and running through the following June 30.

1.30 **Provider Company**: See Service Provider 1.35.

1.31 **Reemployment**: Reemployment of SUSORP Members is permitted to the extent provided for in 121.091(9)(c), F.S., which states: "Any person whose retirement is effective on or after July 1, 2010, or whose participation in the Deferred Retirement Option Program terminates on or after July 1, 2010, who is retired under this chapter, except under the disability retirement provisions of subsection (4) or as provided in s. 121.053, may be reemployed by an employer that participates in a state-administered retirement system and receive retirement benefits and compensation from that employer. However, a person may not be reemployed by an employer participating in the Florida Retirement System before meeting the definition of termination in s. 121.021 and may not receive both a salary from the employer and retirement benefits for 6 calendar months after meeting the definition of termination, except as provided in paragraph (f)."

During the first six calendar months following a SUSORP Member's Distribution date, a Member cannot provide services (through paid or unpaid arrangements) in any capacity to any FRS-participating employer. Providing services to an FRS-participating employer in any capacity during this six-calendar month period will nullify the SUSORP Member's eligibility and the Member and the FRS-participating employer will be held jointly and severally liable for the repayment of all benefits. This means that the Member and the FRS-participating employer can be held fully responsible for the repayment of the total amount of retirement benefits. There are no exceptions to the six-calendar month Termination requirement.

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Additionally, during the 7th through 12th calendar months following a SUSORP Member's Distribution date, a Member may provide services to an FRS-participating employer if, and only if, the SUSORP Member suspends all benefits during the period of providing services. If the SUSORP Member's benefits are not suspended, the Member and the hiring FRS-participating employer will be held jointly and severally liable to repay all SUSORP benefits received since becoming reemployed. An exception to the reemployment restriction is provided for retired law enforcement officers reemployed as school resource officers in accordance with section 121.091(9)(f), F.S.

1.32 **Related Employer**: The Employer as defined in section 121.021(10), F.S.: "Employer" means any agency, branch, department, institution, university, institution of higher education, or board of the state, or any county agency, branch, department, board, district school board, municipality, metropolitan planning organization, or special district of the state which participates in the system for the benefit of certain of its employees, or a charter school or charter technical career center that participates as provided in s. 121.051(2)(d)."

1.33 **Renewed Membership**: Renewed Membership as defined in section 121.122(3) F.S. means "a retiree of the investment plan, the State University System Optional Retirement Program, the Senior Management Service Optional Annuity Program, or the State Community College System Optional Retirement Program who is reemployed with a covered employer in a regularly established position on or after July 1, 2017, shall be enrolled as a renewed member of the investment plan unless employed in a position eligible for participation in the State University System Optional Retirement Program as provided in subsection (4) or the State Community College System."

1.34 **Retiree**: A Member who has received a distribution of required Member and Employer Contributions excluding Required Minimum Distribution (RMD), Qualified Domestic Relations Order (QDRO) or De Minimis Distributions.

1.35 **Retirement Distribution**: A Benefit payment of required Member and Employer Contributions excluding Required Minimum Distribution (RMD), Qualified Domestic Relations Order (QDRO) or De Minimis Distributions. Benefit payments may not be made until the Member becomes eligible for a Distribution after being terminated for 3 calendar months, except that the Department may authorize by rule for the Distribution of up to 10 percent of the Member's Account Balances after being terminated for 1 calendar month if the Member has reached the normal retirement date as defined in s. 121.021, F.S.

1.36 **Service Provider**: The provider of Annuity Contracts or Custodial Accounts, also referred to as a Provider Company. The list of approved Service Providers as amended from time to time is incorporated by reference (See Appendix A - Designated Services Provider Companies).

1.37 **Severance from Employment**: For purpose of the Plan, Severance From Employment means Termination as defined in section 121.021(39), F.S.

1.38 **State**: The State of Florida.

1.39 **Termination:** As defined in section 121.021(39), F.S., "Termination" occurs, except as provided in paragraph (b), when a member ceases all employment relationships with participating employers, however:

1. For retirements effective before July 1, 2010, if a member is employed by any such employer within the next calendar month, termination shall be deemed

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not to have occurred. A leave of absence constitutes a continuation of the employment relationship, except that a leave of absence without pay due to disability may constitute termination if such member makes application for and is approved for disability retirement in accordance with s. 121.091(4), F.S. The department or state board may require other evidence of termination as it deems necessary.

2. For retirements effective on or after July 1, 2010, if a member is employed by any such employer within the next 6 calendar months, termination shall be deemed not to have occurred. A leave of absence constitutes a continuation of the employment relationship, except that a leave of absence without pay due to disability may constitute termination if such member makes application for and is approved for disability retirement in accordance with s. 121.091(4), F.S. The department or state board may require other evidence of termination as it deems necessary."

(b) "Termination" for a member electing to participate in the Deferred Retirement Option Program occurs when the program participant ceases all employment relationships with participating employers in accordance with s. 121.091(13), however:

1. For termination dates occurring before July 1, 2010, if the member is employed by any such employer within the next calendar month, termination will be deemed not to have occurred, except as provided in s. 121.091(13)(b)4.c. A leave of absence shall constitute a continuation of the employment relationship.
2. For termination dates occurring on or after July 1, 2010, if the member becomes employed by any such employer within the next 6 calendar months, termination will be deemed not to have occurred, except as provided in s. 121.091(13)(b)4.c. A leave of absence constitutes a continuation of the employment relationship.

(c) Effective July 1, 2011, "termination" for a member receiving a refund of employee contributions occurs when a member ceases all employment relationships with participating employers for 3 calendar months. A leave of absence constitutes a continuation of the employment relationship."

During the first six calendar months following a SUSORP Member's Distribution date, a Member cannot provide services (through paid or unpaid arrangements) in any capacity to any FRS-participating employer. Providing services to an FRS-participating employer in any capacity during this six-calendar month period will nullify the SUSORP Member's eligibility and the Member and the FRS-participating employer receiving the services will be held jointly and severally liable for the repayment of all Benefits. This means that the Member and the FRS-participating employer can be held fully responsible for the repayment of the total amount of retirement Benefits. There are no exceptions to the six-calendar month Termination requirement.

Additionally, during the 7th through 12th calendar months following a SUSORP Member's Distribution date, a Member may provide services to an FRS-participating employer if, and only if, the SUSORP Member suspends all Benefits during the period of providing services. If the SUSORP Member's Benefits are not suspended, the Member and the hiring FRS-participating employer will be held jointly and severally liable to repay all SUSORP Benefits received since becoming reemployed. An exception to the reemployment restriction is provided for retired

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law enforcement officers reemployed as school resource officers in accordance with section 121.091(9)(f), F.S.

1.40 **Voluntary Employee Contributions**: A Member's voluntary Elective Deferrals.

1.41 **Voluntary Employee Contributions Refund:** A refund of voluntary Elective Deferrals only. A Member must be terminated from employment with all FRS Employers for three (3) calendar months to be eligible to receive a refund of Voluntary Employee Contributions.

2. PLAN ADMINISTRATION

2.1 **Plan Name.** State University System Optional Retirement Program (SUSORP).

2.2 **Type of Plan.** A state-administered governmental defined contribution retirement plan qualified under section 403(b) of the Code.

2.3 **Purpose.** The State of Florida, Department of Management Services (formerly the Department of Administration) established an optional retirement program under which contracts providing retirement and death Benefits may be purchased for eligible Members of the State University System who elect to participate in the program.

2.4 **Plan Administrator.** As provided in section 121.35(1) F.S., the Department of Management Services, Division of Retirement, oversees the administration of the SUSORP, an optional retirement program for Eligible Employees of the State University System, whereby these Employees are provided a means to purchase retirement and death Benefits through annuity or other contracts, which may be fixed, variable, or a combination thereof, in accordance with section 403(b) of the Code.

2.5 **Administrative Duties**. The Plan Administrator shall be responsible for administering the Plan according to section 121.35, F.S., and for coordinating the provision of various documents consistent with the requirement of section 403(b) of the Code. These provisions and requirements include, but are not limited to:

2.5.1 Determining whether an Employee is eligible to participate in the Plan.

2.5.2 Determining whether Contributions comply with the applicable limitations.

2.5.3 Determining that any transfers and rollovers comply with applicable requirements and limitations.

2.5.4 Maintaining a list of all Service Providers under the Plan.

2.5.5 Determining that the requirement of the Plan and section 403(b) Code are properly applied.

2.6 **Plan Benefits.** The Benefits to be provided for or on behalf of Members in such optional retirement program shall be provided through individual contracts or individual certificates issued for group annuity or other contracts, which may be fixed, variable, or a combination thereof, in accordance with section 403(b) of the Code. Any individual contract or certificate shall state the annuity plan on its face page, and shall include, but not be limited to, a statement of ownership, the contract Benefits, annuity income options, limitations, expense charges, and surrender charges, if any. The Plan Employers of the State (also referred to as the State) shall contribute, as provided in section 121.35 (1) F.S., toward the purchase of such optional Benefits.

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2.7 **Incorporation of Individual Agreements and Florida Statutes.** The Florida Statutes are hereby incorporated by reference into the Plan and shall override any inconsistent provisions of the Plan. The Plan, together with the Individual Agreements and sections 121.35 and 121.355, Florida Statutes, are intended to satisfy the requirements of section 403(b) of the Code and the Income Tax Regulations thereunder. Terms and conditions of the Plan shall be incorporated by reference into the Individual Agreements. If terms of the individual agreement are inconsistent with the Plan or section 403(b) of the Code, the Code and Plan will control.

2.8 **Plan Documents.** Plan documents are the Florida Statutes Chapter 121, section 121.35, the Florida Administrative Code 60-U, and the SUSORP Plan documents.

2.9 **Governing Law**. The Plan will be construed, administered and enforced according the laws of the State of Florida and the Internal Revenue Code to the extent provided in Section 121.30 F.S.: "Statements of purpose and intent and other provisions required for qualification under the Internal Revenue Code of the United States - Any other provisions in this chapter to the contrary notwithstanding, it is specifically provided that:

(1) The purpose of this chapter is to provide pension benefits for the exclusive benefit of the member employees or their beneficiaries.

(2) No part of the principal or income of the trust fund created hereunder shall be used or diverted for purposes other than for the exclusive benefit of the member employees or their beneficiaries and for the payment of administrative cost.

(3) Forfeitures, if any, shall not be applied to increase the benefits any member employee would otherwise receive under this chapter. See Forfeitures 9.5

(4) Upon termination or partial termination, upon discontinuance of contributions, abandonment, or merger, or upon consolidation or amendment of this chapter, the rights of all affected employees to benefits accrued as of the date of any of the foregoing events, or the amounts credited to the Account of any member employee, shall be and continue thereafter to be nonforfeitable except as otherwise provided by law.

(5) No benefit payable hereunder for any limitation year shall exceed the maximum amount, including cost-of-living adjustments, allowable by law for qualified pension plans under applicable provisions of the Internal Revenue Code of the United States. In the event of any participation of a Florida Retirement System member in any other plan that is maintained by the participating employer, benefits that accrue under the Florida Retirement System shall be considered primary for any aggregate limitation applicable under s. 415 of the Internal Revenue Code.

(6)(a) When computing benefits accrued or contributions to be made on behalf of any person who first becomes a member or participant on or after July 1, 1996, compensation taken into account for any plan year shall not include any amounts in excess of the s. 401(a)(17), Internal Revenue Code limitation (as amended by the Omnibus Budget Reconciliation Act of 1993), which limitation of $150,000 effective July 1996, shall be adjusted as required by federal law for qualified government plans and shall be further adjusted for changes in the cost of living in the manner provided by s. 401(a)(17)(B) of the Internal Revenue Code.

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(b) When computing benefits accrued or contributions to be made on behalf of any person who first became a member or participant prior to July 1, 1996, compensation for all plan years beginning on or after July 1, 1990, shall not include any amounts in excess of the compensation limitation (originally $200,000) established by s. 401(a)(17) of the Internal Revenue p prior to the Omnibus Budget Reconciliation Act of 1993, which limitation shall be adjusted for changes in the cost of living since 1989, in the manner provided by s. 401(a)(17) of the Internal Revenue Code of 1991. This limitation, which has been part of the Florida Retirement System since plan years beginning on or after July 1, 1990, shall be adjusted as required by federal law for qualified government plans.

(7) Any provision of this chapter relating to an optional annuity or retirement program must be construed and administered in such manner that such program will qualify as a qualified pension plan under applicable provisions of the Internal Revenue Code of the United States.

(8) The provisions of this section are declaratory of the legislative intent upon the original enactment of this chapter and are hereby deemed to have been in effect from such date.

(9) The department may adopt any rule necessary to accomplish the purpose of the section which is not inconsistent with this chapter."

3. **ELIGIBILITY**

3.1 Eligible SUSORP positions include faculty, executive service and administrative and professional positions. To the extent provided in 121.35(2)(b), F.S., "...both the appointees and employees are referred to as "employees," and the "employer" of an appointee or employee is the individual institution within the State University System or the Board of Governors of the State University System, whichever is appropriate with respect to the particular employee or appointee."

3.2 Each Eligible Employee shall be a Member to the extent provided in section 121.35(2)(a) F.S., "Participation in the optional retirement program provided by this section shall be limited to persons who are otherwise eligible for membership or renewed membership in the Florida Retirement System and who are employed in one of the following State University System positions:

1. Positions classified as instructional and research faculty which are exempt from the career service under the provisions of s. 110.205(2)(d).
2. Positions classified as administrative and professional which are exempt from the career service under the provisions of s. 110.205(2)(d).
3. The Chancellor and the university presidents."

3.3 **Renewed Membership**. Renewed Membership is allowed to the extent provided in section 121.122(4), F.S., "A retiree of the investment plan, the State University System Optional Retirement Program, the Senior Management Service Optional Annuity Program, or the State Community College System Optional Retirement Program who is reemployed on or after July 1, 2017, in a regularly established position eligible for participation in the State University System Optional Retirement Program shall become a renewed member of the optional retirement program. The renewed member must satisfy the vesting requirements and other provisions of this chapter. Once enrolled, a renewed member remains enrolled in the optional retirement program while employed in an eligible position for the optional retirement program. If employment in a different covered position results in the renewed

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member's enrollment in the investment plan, the renewed member is no longer eligible to participate in the optional retirement program unless employed in a mandatory position under s. 121.35.

(a) The renewed member is subject to the limitations on reemployment after retirement provided in s. 121.091(9), as applicable.

(b) The renewed member must satisfy the requirements for termination from employment provided in s. 121.021(39).

(c) Upon renewed membership or reemployment of a retiree, the employer and the renewed member shall pay the applicable employer and employee contributions required under s. 121.35.

(d) Employer and employee contributions, interest, earnings, or any other funds may not be paid into a renewed member's optional retirement program Account for any employment in a regularly established position with a covered employer on or after July 1, 2010, through June 30, 2017, by the renewed member or the employer on behalf of the renewed member.

(e) Notwithstanding s. 121.4501(4)(f), the renewed member is not eligible to elect membership in the pension plan."

4. PARTICIPATION

4.1 FRS Members participating in the Regular Class may elect to participate in the optional program to the extent provided in 121.35(3)(a) through 121.35(3)(c), F.S.:

4.1.1 "**On or before March 1, 1984** – 121.35(3)(a), F.S., "Any eligible employee who is employed on or before March 1, 1984, may elect to participate in the optional retirement program in lieu of participation in the Florida Retirement System. Such election shall be made in writing and filed with the division and the personnel officer of the employer on or before June 1, 1984. Upon such election, participation in the optional program will take effect July 1, 1984, and election to so participate will terminate the membership of the employee in the Florida Retirement System. Any eligible employee who is employed on or before March 1, 1984, and who fails to make an election to participate in the optional program by June 1, 1984, shall be deemed to have elected to retain membership in the Florida Retirement System."

4.1.2 **March 1, 1984 – December 31, 1992**. As provided in 121.35(3)(b), F.S., "Any employee who becomes eligible to participate in the optional retirement program by reason of initial employment commencing after March 1, 1984, but before January 1, 1993, may, within 90 days after the date of commencement of employment, elect to participate in the optional program. Such election shall be made in writing and filed with the personnel officer of the employer. The eligible employees described in this subparagraph shall be enrolled in the Florida Retirement System at the commencement of employment, with the exception of those employees who file an election with the personnel officer of the employer prior to the submission of the initial payroll for the employee. For such employees, participation will be effective on the first day of employment or on July 1, 1984, whichever is later. If an eligible employee, as described in this subparagraph, files an election to participate in the optional program within 90 days after the commencement of employment, but after the submission by the employer of the initial payroll for the employee, the employee's participation in the optional program will not be effective until the first day of

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the month for which a full month's employer contribution may be made, or until July 1, 1984, whichever is later. Any eligible employee who does not within 90 days after commencement of such employment elect to participate in the optional program shall be deemed to have elected to retain membership in the Florida Retirement System."

4.1.3 **On or after January 1, 1993** 121.35(3)(c), F.S. states: "Any employee who becomes eligible to participate in the optional retirement program on or after January 1, 1993, shall be a compulsory participant of the program unless such employee elects membership in the Florida Retirement System. Such election shall be made in writing and filed with the personnel officer of the employer. Any eligible employee who fails to make such election within the prescribed time period shall be deemed to have elected to participate in the optional retirement program.

1. Any employee whose optional retirement program eligibility results from initial employment shall be enrolled in the program at the commencement of employment. If, within 90 days after commencement of employment, the employee elects membership in the Florida Retirement System, such membership shall be effective retroactive to the date of commencement of employment.

2. Any employee whose optional retirement program eligibility results from a change in status due to the subsequent designation of the employee's position as one of those specified in paragraph (2)(a) or due to the employee's appointment, promotion, transfer, or reclassification to a position specified in paragraph (2)(a) shall be enrolled in the optional retirement program upon such change in status and shall be notified by the employer of such action. If, within 90 days after the date of such notification, the employee elects to retain membership in the Florida Retirement System, such continuation of membership shall be retroactive to the date of the change in status.

3. Notwithstanding the provisions of this paragraph, effective July 1, 1997, any employee who is eligible to participate in the Optional Retirement Program and who fails to execute a contract with one of the approved companies and to notify the department in writing as provided in subsection (4) within 90 days after the date of eligibility shall be deemed to have elected membership in the Florida Retirement System, except as provided in s. 121.051(1)(a). This provision shall also apply to any employee who terminates employment in an eligible position before executing the required Annuity Contract and notifying the department. Such membership shall be retroactive to the date of eligibility, and all appropriate contributions shall be transferred to the Florida Retirement System Trust Fund and the Health Insurance Subsidy Trust Fund."

4.2 **Vesting**. As provided in 123.35(d), F.S., "Participants shall be fully and immediately vested in the optional retirement program only upon execution of a contract."

4.3 **Irrevocability**. As provided in 121.35(e), F.S., "the election by an eligible employee to participate in the optional retirement program shall be irrevocable for so long as the employee continues to meet the eligibility requirements specified in subsection (2), except as provided in paragraph (h) or paragraph (i). In the event that an employee participates in the optional retirement program for 90 days or more and is subsequently employed in an administrative or professional position

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which has been determined by the department, under subparagraph (2)(a)2., to be not otherwise eligible for participation in the optional retirement program, the employee shall continue participation in the optional program so long as the employee meets the other eligibility requirements for the program, except as provided in paragraph (h) or paragraph (i)."

4.4 **Previous Florida Retirement System Membership**. As provided in 121.35(g). F.S., "an eligible employee who is a member of the Florida Retirement System at the time of election to participate in the optional retirement program shall retain all retirement service credit earned under the Florida Retirement System at the rate earned. Additional service credit in the Florida Retirement System may not be earned while the employee participates in the optional program, and the employee is not eligible for disability retirement under the Florida Retirement System. An eligible employee may transfer from the Florida Retirement System to his or her accounts under the State University System Optional Retirement Program a sum representing the present value of the employee's accumulated benefit obligation under the pension plan for any service credit accrued from the employee's first eligible transfer date to the optional retirement program through the actual date of such transfer, if such service credit was earned from July 1, 1984, through December 31, 1992. The present value of the employee's accumulated benefit obligation shall be calculated as described in s. 121.4501(3). Upon transfer, all service credit earned under the pension plan during this period is nullified for purposes of entitlement to a future benefit under the pension plan."

4.5 **Transfer to the Florida Retirement System**. As provided in 121.35(i), F.S., "effective January 1, 2008, through December 31, 2008, except for an employee who is a mandatory participant of the State University System Optional Retirement Program, an employee who has elected to participate in the State University System Optional Retirement Program shall have one opportunity, at the employee's discretion, to transfer from this program to the Florida Retirement System Pension Plan or to the investment plan, subject to the terms of the applicable contracts of the State University System Optional Retirement Program.

1. If the employee chooses to move to the investment plan, any contributions, interest, and earnings creditable to the employee under the State University System Optional Retirement Program must be retained by the employee in the State University System Optional Retirement Program, and the applicable provisions of s. 121.4501(4) shall govern the election.

2. If the employee chooses to move to the pension plan of the Florida Retirement System, the employee shall receive service credit equal to his or her years of service under the State University System Optional Retirement Program.

a. The cost for such credit must be in an amount representing the actuarial accrued liability for the affected period of service. The cost must be calculated using the discount rate and other relevant actuarial assumptions that were used to value the Florida Retirement System Pension Plan liabilities in the most recent actuarial valuation. The calculation must include any service already maintained under the pension plan in addition to the years under the State University System Optional Retirement Program. The actuarial accrued liability of any service already maintained under the pension plan must be applied as a credit to total cost resulting from the calculation. The

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division must ensure that the transfer sum is prepared using a formula and methodology certified by an enrolled actuary.

b. The employee must transfer from his or her State University System Optional Retirement Program account, and from other employee moneys as necessary, a sum representing the actuarial accrued liability immediately following the time of such movement, determined assuming that attained service equals the sum of service in the pension plan and service in the State University System Optional Retirement Program."

4.6 **Dual Employment**. To the extent provided in 121.35(h). F.S." a participant in the optional retirement program may not participate in more than one state-administered retirement system, plan, or class simultaneously. Except as provided in s. 121.052(6)(d), a participant who is or becomes dually employed in two or more positions covered by the Florida Retirement System, one of which is eligible for the optional program and one of which is not, may remain a member of the optional program and contributions shall be paid as required only on the salary earned in the position eligible for the optional program during the period of dual employment; or, within 90 days after becoming dually employed, he or she may elect membership in the Regular Class of the Florida Retirement System in lieu of the optional program and contributions shall be paid as required on the total salary received for all employment. At retirement, the average final compensation used to calculate any benefits for which the member becomes eligible under the Florida Retirement System must be based on all salary reported for both positions during such period of dual employment. If the member ceases to be dually employed, he or she may, within 90 days, elect to remain in the Florida Retirement System class for which he or she is eligible or to again become a participant in the optional retirement program. Failure to elect membership in the optional program within 90 days shall result in compulsory membership in the Florida Retirement System, except that a member filling a faculty position at a college that has a faculty practice plan at the University of Florida, at the Medical Center at the University of South Florida, or other state university shall again participate in the optional retirement program as required in s. 121.051(1)(a)."

4.7 **Ineligible for Participation**. As provided in 121.35(f), F.S., "If an employee becomes ineligible to continue participation in the optional retirement program under subsection (2), the employee shall thereafter participate in the Florida Retirement System if he or she is otherwise eligible."

5. **CONTRIBUTIONS**

5.1 **Employer Contributions.** In accordance with section 121.35(4)(a), F.S., "The employer shall contribute on behalf of each such member an amount equal to the difference between 8.15 percent of the employee's gross monthly compensation and the amount equal to the employee's required contribution based on the employee's gross monthly compensation."

In accordance with section 121.35(4)(a)5, F.S., "...the payment of the contributions, including contributions by the employee, shall be made by the employer to the department, which shall forward the contributions to the designated company or companies contracting for payment of benefits for members of the program. However, such contributions paid on behalf of an employee described in paragraph (3)(c) may not be forwarded to a company and do not begin to accrue interest until the employee has executed a contract and notified the department. The department

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shall deduct an amount from the contributions to provide for the administration of this program."

5.2 **Employee Contributions.**

5.2.1 **Required Employee Contribution**.

A. Effective July 1, 2011, each Member shall contribute Employee Contributions in accordance with section 121.35(4), F.S.

B. Effective July 1, 2012, each Member of the optional retirement program shall contribute an amount equal to the Employee Contribution required in section 121.71(3), F.S.

C. Effective July 1, 2011, the required Employee Contribution rate for the Regular Class membership is 3.00% of gross compensation.

5.2.2 **Elective Deferrals**. Members may choose to have Elective Deferrals (Voluntary Employee Contributions) made on their behalf immediately upon becoming employed by the Employer. Contributions shall be an amount not greater than the amount specified in section 121.35(4)(e), F. S.:

A. "Each member shall have the option to contribute a percentage of the employee's gross compensation as provided in section 121.35(4)(e), F.S., "each member of the optional retirement program who has executed a contract may contribute by way of salary reduction or deduction a percentage amount of the employee's gross compensation not to exceed the percentage amount contributed by the employer to the optional program, but such contribution may not exceed federal limitations."

B. "Payment of the employee's contributions shall be made by the financial officer of the employer to the division which shall forward the contributions to the designated company or companies contracting for payment of benefits for members of the program."

C. "A member may not make, through salary reduction, any voluntary employee contributions to any other plan under s. 403(b) of the Internal Revenue Code, with the exception of a custodial account under s. 403(b)(7) of the Internal Revenue Code, until they have made employee contributions to their optional program equal to the employer contribution."

D. "An employee is responsible for monitoring his or her individual tax-deferred income to ensure they do not exceed the maximum deferral amounts permitted under the Internal Revenue Code."

E. The Plan will not accept Roth Elective Deferrals.

5.3 **Information Provided by the Member.** Each Member shall provide to the Plan Administrator at the time of initial enrollment, and later, if there are any changes, any such just and true information necessary or advisable for the Plan Administrator to administer the Plan, including any information required under the terms governing the Investment Arrangement.

5.4 **Change in Elective Deferrals Election.** Subject to the provisions of the applicable Individual Agreements, Members may at any time revise their Contribution election, including changes in the amount of their Elective Deferrals, investment direction and designated Beneficiary. A change in the investment direction shall take effect as of the date provided by the Administrator on a uniform basis for all Members. A change

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in the Beneficiary designation shall take effect as provided for in the Individual Agreement between the Service Provider and Member.

5.5 **Timing of Contributions.** Plan Contributions received by the Department under the Plan shall be transferred to the applicable Service Providers within a reasonable time following the receipt of Contributions, and the information necessary, including but not limited to the proper enrollment documentation, to allow the forwarding of the funds.

5.6 **Leave of Absence**. Unless a Compensation reduction election is otherwise revised, when a Member is absent from work by leave of absence, Elective Deferrals under the Plan shall continue to the extent that compensation continues.

6. LIMITATIONS ON COMPENSATION AND AMOUNTS DEFERRED

6.1 **Includible Compensation.** An Employee's compensation received from the Employer that is includible in the Member's gross income for federal income tax purposes (computed without regard to section 911 of the Code, relating to United States citizens or residents living abroad), including differential wage payments under section 3401(h) of the Code for the most recent period that is a Year of Service. Includible Compensation also includes any Elective Deferral or other amount contributed or deferred by the Employer at the election of the Employee that would be includible in gross income but for the rules of section 125, 132(f)(4), 402(e)(3), 402(h)(1)(B), 402(k), or 457(b) of the Code. Includible Compensation does not include any Compensation received during a period when the Employer was not an eligible Employer within the meaning of section 1.403(b)-2(b)(8) of the Treasury Regulations. The amount of Includible Compensation is determined without regard to any community property laws. Except as provided in section 1.401(a)(17)-1(d)(4)(ii) of the Treasury Regulations with respect to eligible Members in governmental plans, the amount of Includible Compensation of each Member taken into account in determining Contributions shall not exceed $265,000, as adjusted for cost-of- living increases in accordance with section 401(a)(17)(B) of the Code for periods after 2015.

6.2 **Limitations on Elective Deferrals**. The maximum amount of the Elective Deferral under the Plan for any calendar year shall not exceed $19,500, which is the applicable dollar amount established under section 402(g)(1)(B) of the Code and adjusted for cost-of-living to the extent provided under section 402(g)(4) of the Code for periods after 2020. Section 402(g) of the Code provide a limitation on Elective Deferrals and further provides that the limitation be adjusted each year for cost-of living increases.

6.3 **Special Section 403(b) Catch-up Limitations.** Special Section 403(b) Catch-up Limitation shall not apply to the Plan.

6.4 **Age 50 Catch-up Contributions**. Age 50 Catch up Contributions shall not apply to the Plan.

6.5 **Special Rule for a Member Covered by another Section 403(b) Plan**. For purposes of this section, if the Member is or has been a Member in one or more other plans under section 403(b) of the Code (or any other plan that permits Elective Deferrals under section 402(g) of the Code, then that Plan and all such other plans shall be considered as one plan for purposes of applying Special Section 403(b) Catch-up Limitations.

6.6 **Correction of Excess Elective Deferrals**. If the Elective Deferral on behalf of a Member for any calendar year exceeds the limitations described above, when

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combined with other amounts deferred by the Member under another plan of the Employer under section 403(b) of the Code (and any other plan that permits Elective Deferrals under section 402(g) of the Code for which the Member provides information that is accepted by the Administrator), then the Elective Deferral, to the extent in excess of the applicable limitation (adjusted for any income or loss in value, if any, allocable thereto), shall be distributed to the Member.

7. HARDSHIP DISTRIBUTIONS

7.1 Hardship Distributions shall not be permitted under the Plan.

7.2 To the extent provided in section 121.35(5)(b), F.S., "Benefits, including employee contributions, are not payable for employee hardships, unforeseeable emergencies, loans, medical expenses, educational expenses, purchase of a principal residence, payments necessary to prevent eviction or foreclosure on an employee's principal residence, or any other reason a requested distribution for retirement, a mandatory de minimis distribution authorized by the Administrator, or a required minimum distribution provided pursuant to the Internal Revenue Code."

8. LOANS

8.1 Loans shall not be permitted under the Plan (notwithstanding any such outstanding loan present on the effective date of this written plan).

8.1.1 **Prior to July 1, 2011**, With respect to loans from the portion of an employee's Account attributable to Elective Deferrals or rollover contributions to the Plan and loans entered into prior to that date, no loan to any Member or Beneficiary can be made to the extent that such loan, when added to the outstanding balance of all other loans to the Member or Beneficiary, would exceed the lesser of (a) $50,000 reduced by the excess (if any) of the highest outstanding balance of loans during the one year period ending on the day before the loan is made, over the outstanding balance of loans from the Plan on the date the loan is made, of (b) one-half the present value of the nonforfeitable accrued Benefit of the Member or, if greater, the total accrued Benefit up to $10,000. For the purpose of the above limitation, all loans from all plans of the employer and Related Employers are aggregated. Any loan shall by its terms require that repayment (principal and interest) be amortized in level payments, not less frequently than quarterly, over a period not extending beyond five years from the date of the loan. If such loan is used to acquire a dwelling unit which within a reasonable time (determined at the time the loan is made) will be used as the principal residence of the Member, the amortization period shall be in accordance with the terms of the Individual Agreements. An assignment or pledge of any portion of the member's interest in the Plan and a loan, pledge, or assignment with respect to any insurance contract purchased under the Plan, will be treated as a loan under this paragraph. Repayment of any loan shall be through the method of repayment specified under the original loan terms.

8.1.2 **Effective July 1, 2011 through June 20, 2012.** Benefits, including Employee Contributions, are not payable for employee hardships, unforeseeable emergencies, loans, medical expenses, educational expenses, purchase of a principal residence, payments necessary to prevent eviction or foreclosure on an employee's principal residence, or any other reason before termination from all employment relationships with participating Employers for 3 calendar months.

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8.1.3 **Effective July 1, 2012.** To the extent provided in 121.35(5)(b), F.S., "Benefits, including employee contributions, are not payable for employee hardships, unforeseeable emergencies, loans, medical expenses, educational expenses, purchase of a principal residence, payments necessary to prevent eviction or foreclosure on an employee's principal residence, or any other reason a requested distribution for retirement, a mandatory de minimis distribution authorized by the Administrator, or a required minimum distribution provided pursuant to the Internal Revenue Code."

9. BENEFIT DISTRIBUTIONS

9.1 **Benefit Distribution Date.** The initial Benefit Distribution date is the Members' Effective Retirement Date. It is the initial date of a Members Distribution comprised of required Member and/or Employer contributions plus gains/losses, excluding a Required Minimum Distribution (RMD), Qualified Domestic Relations Order (QDRO) or De Minimis Distributions. This initial Benefit Distribution is also referred to as a Retiree Distribution.

9.2 **Benefit Distributions at Severance from Employment or Other Distribution Event**. Benefit Distributions are payable to the extent provided in 121.35(5)(a)-(h), F.S.
121.35(5)(a) F.S. which states : "Benefits are payable under the optional retirement program only to vested members participating in the program, or their beneficiaries as designated by the member in the contract with a provider company, and such benefits shall be paid only by the designated company in accordance with s. 403(b) of the Internal Revenue Code and the terms of the Annuity Contract or investment contracts applicable to the Member. A benefit under the optional retirement program is a distribution requested by the Member or surviving beneficiary funded in part or in whole by employer or required employee contributions, plus earnings, and includes rolling a distribution over to another qualified plan. Benefits accrue in individual accounts that are member-directed, portable, and funded by employer and employee contributions and the earnings thereon. The Member must be terminated for 3 calendar months from all employment relationships with all Florida Retirement System employers to begin receiving the benefit. The department may authorize a distribution of up to 10 percent of the member's account after being terminated from employment with all participating employers for 1 calendar month if the member has reached the normal retirement date as defined in s. 121.021. The department may adopt rules to implement this paragraph. Benefits funded by employer and required employee contributions are payable in accordance with the following terms and conditions:"

1. "Benefits shall be paid only to participating members, their beneficiaries, or to his or her estate, as designated by the member."
2. "Benefits shall be paid by the provider company or companies in accordance with the law, the provisions of the contract, and any applicable department rule or policy."
3. "In the event of a member's death, moneys accumulated by, or on behalf of, the member, less withholding taxes remitted to the Internal Revenue Service, if any, shall be distributed to the member's designated beneficiary or beneficiaries, or to the member's estate, as if the member retired on the date of death, as provided in paragraph (d). No other death benefits are available to survivors of members under the optional retirement program except for such benefits, or coverage for

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such benefits, as are separately afforded by the employer, at the employer's discretion."

121.35(5)(b), F.S. which states: "Benefits, including employee contributions, are not payable for employee hardships, unforeseeable emergencies, loans, medical expenses, educational expenses, purchase of a principal residence, payments necessary to prevent eviction or foreclosure on an employee's principal residence, or any other reason except a requested distribution for retirement, a mandatory de minimis distribution authorized by the Administrator, or a required minimum distribution provided pursuant to the Internal Revenue Code."

121.35(5)(c), F.S. which states: "Upon receipt by the provider company of a properly executed application for distribution of benefits, the total accumulated benefit is payable to the participating member as:

1. A lump-sum distribution to the member;
2. A lump-sum direct rollover distribution whereby all accrued benefits, plus interest and investment earnings, are paid from the member's account directly to an eligible retirement plan, as defined in s. 402(c)(8)(B) of the Internal Revenue Code, on behalf of the member;
3. Periodic distributions;
4. A partial lump-sum payment whereby a portion of the accrued benefit is paid to the member and the remaining amount is transferred to an eligible retirement plan, as defined in s. 402(c)(8)(B) of the Internal Revenue Code, on behalf of the member; or
5. Such other distribution options as are provided in the member's optional retirement program contract."

121.35(5)(d), F.S. which states: "Survivor benefits are payable as:

1. A lump-sum distribution payable to the beneficiaries or to the deceased member's estate;
2. An eligible rollover distribution on behalf of the surviving spouse of a deceased member, whereby all accrued benefits, plus interest and investment earnings, are paid from the deceased member's account directly to an eligible retirement plan, as described in s. 402(c)(8)(B) of the Internal Revenue Code, on behalf of the surviving spouse;
3. Such other distribution options as are provided in the member's optional retirement program contract; or
4. A partial lump-sum payment whereby a portion of the accrued benefit is paid to the deceased member's surviving spouse or other designated beneficiaries, less withholding taxes remitted to the Internal Revenue Service, if any, and the remaining amount is transferred directly to an eligible retirement plan, as described in s. 402(c)(8)(B) of the Internal Revenue Code, on behalf of the surviving spouse. The proportions must be specified by the member or the surviving beneficiary.

   This paragraph does not abrogate other applicable provisions of state or federal law providing payment of death benefits."

121.35(5)(e), F.S. which states: "The benefits payable to any person under the optional retirement program, and any contribution accumulated under such

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program, are not subject to assignment, execution, or attachment or to any legal process."

121.35(5)(f), F.S. which states: "A participating member who chooses to receive benefits must be terminated for 3 calendar months to be eligible to receive benefits funded by employer and employee contributions. The member must notify the provider company of the date he or she wishes benefits funded by required employer and employee contributions to begin and must be terminated as defined in s. 121.021 after the initial benefit payment or distribution is received. Benefits may be deferred until the member chooses to make such application."

121.35(5)(g), F.S. which states: "Benefits funded by the participating member's voluntary personal contributions may be paid out after termination from employment with all participating employers for 3 calendar months and in any form within the limits provided in the contract between the member and the provider company. The member shall notify the provider company regarding the date and provisions under which he or she wants to receive the employee-funded portion of the plan.

121.35(5)he), F.S. which states: "For purposes of this section, "retiree" means a former participating member of the optional retirement program who has terminated employment and has taken a distribution as provided in this subsection, except for a mandatory distribution of a de minimis account authorized by the department."

9.3 **Timing of Distribution**. Distributions shall be made in accordance with section 121.35(5), F.S. in section 9.1. Except as permitted under section 6.6 (relating to excess Elective Deferrals), Distributions from a Member's Account shall not be made earlier than the earliest of the date on which the Member has a Termination from employment or dies.

9.4 **Small Account Balances.** To the extent permitted under the terms governing the applicable Investment Arrangement, small Account Balances or De Minimis Distributions may be made in the form of a lump-sum payment, without the consent of the Member or Beneficiary, but not without the consent of the Member or Beneficiary if the Member's Accumulated Benefit (determined without regard to any separate Account that holds rollover contributions) exceeds $5,000 or any lesser amount specified in the Investment Arrangement ("Small Account Balance"). Any such Distribution shall comply with the requirements of section 401(a)(31)(B) of the Code (relating to automatic Distribution as a direct rollover to an individual retirement plan for Distributions in excess of $1,000).

9.5 **Required Minimum Distributions.** Required Minimum Distributions apply only to Members who have terminated. Actively employed Members are not required to withdraw minimum Distributions.

9.5.1 The Plan shall comply with the minimum Distribution requirements of section 401(a)(9) of the Code and the regulations thereunder in accordance with the terms governing each Investment Arrangement, unless and to the extent otherwise permitted by law and in regulations or other rules of general applicability published by the Department of the Treasury or the Internal Revenue Service. For purposes of applying the Distribution rules of section 401(a)(9) of the Code, each Investment Arrangement is treated as an individual retirement account (IRA) and Distributions shall be made in accordance with the provisions of section 1.408-8 of the Treasury Regulations, except as provided in section 1.403(b)-6(e) of the Treasury Regulations.

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9.5.2 Distribution of the Member Accumulated Benefit will begin no later than the first day of April following the later of the calendar year in which the Member attains age 72 or the calendar year in which the Member retires from employment (the "required beginning date") over (1) the life of the Member, (2) the lives of the Member and Beneficiary, or (3) a period certain not extending beyond the life expectancy of the Participant or the joint and last survivor expectancy of the Member and Beneficiary.

9.6 **Forfeitures.** SUSORP Members are subject to forfeitures as provided in section 121.091(5)(f) – (k), F.S. which states:

"(5)(f) Any member who has been found guilty by a verdict of a jury, or by the court trying the case without a jury, of committing, aiding, or abetting any embezzlement or theft from his or her employer, bribery in connection with the employment, or other felony specified in chapter 838, except ss. 838.15 and 838.16, committed prior to retirement, or who has entered a plea of guilty or of nolo contendere to such crime, or any member whose employment is terminated by reason of the member's admitted commitment, aiding, or abetting of an embezzlement or theft from his or her employer, bribery, or other felony specified in chapter 838, except ss. 838.15 and 838.16, shall forfeit all rights and benefits under this chapter, except the return of his or her accumulated contributions as of the date of termination.

(g) Any elected official who is convicted by the Senate of an impeachable offense shall forfeit all rights and benefits under this chapter, except the return of his or her accumulated contributions as of the date of the conviction.

(h) Any member who, prior to retirement, is adjudged by a court of competent jurisdiction to have violated any state law against strikes by public employees, or who has been found guilty by such court of violating any state law prohibiting strikes by public employees, shall forfeit all rights and benefits under this chapter, except the return of his or her accumulated contributions as of the date of the conviction.

(i) The division may not pay benefits to any member convicted of a felony committed on or after October 1, 2008, defined in s. 800.04 against a victim younger than 16 years of age, or defined in chapter 794 against a victim younger than 18 years of age, through the use or attempted use of power, rights, privileges, duties, or position of the member's public office or employment position. However, the division shall return the member's accumulated contributions, if any, that the member accumulated as of the date of conviction.

(j) Any beneficiary who by a verdict of a jury or by the court trying the case without a jury is found guilty, or who has entered a plea of guilty or nolo contendere, of unlawfully and intentionally killing or procuring the death of the member forfeits all rights to the deceased member's benefits under this chapter, and the benefits will be paid as if such beneficiary had predeceased the decedent.

(k) Benefits shall not be paid by the division pending final resolution of such charges against a member or beneficiary if the resolution of such charges could require the forfeiture of benefits as provided in paragraph (f), paragraph (g), paragraph (h), paragraph (i), or paragraph (j)."

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10. ROLLOVERS, TRANSFERS, AND EXCHANGES

10.1 Rollover Contributions and Distributions.

10.1.1 **Eligible Retirement Plans**. An eligible retirement plan is a qualified plan described in section 401(a), an annuity plan described in section 403(a), an Annuity Contract described in section 403(b), or an eligible plan under section 457(b) of the Code which is maintained by a State. The definition of eligible retirement plan shall also apply in the case of a Distribution to a surviving spouse, or to a spouse or former spouse who is the Alternate Payee under a qualified domestic relations order as defined in section 414(p) of the Code. In no event will the Plan accept a rollover contribution from a Roth Elective Deferral account under an applicable retirement plan described in section 402A(e)(1) of the Code or a Roth IRA described in section 408A of the Code.

10.1.2 **Eligible Rollover Contributions.** A Member who is entitled to receive an Eligible Rollover Distribution from a previous employer's retirement plan may request to have all or a portion of the Eligible Rollover Distribution paid to the Plan. Such rollover contributions shall be made in the form of cash only. The Service Provider may require such documentation from the distributing plan as it deems necessary to effectuate the rollover in accordance with section 402 of the Code and to confirm that such plan is an Eligible Retirement Plan.

10.1.3 **Separate Accounts.** The Service Provider shall establish and maintain for the Member a separate Account for any Eligible Rollover Distribution paid to the Plan.

10.1.4 **Eligible Rollover Distribution.** For purposes of 10.1.1, an Eligible Rollover Distribution means any Distribution of all or any portion of a Member's Benefit from a previous employer's eligible retirement plan. If a Member has a separate Account attributable to rollover contributions to the Plan, then, to the extent permitted by the terms governing the applicable Investment Arrangement, the Member may at any time elect to receive a Distribution of all or any portion of the amount held in the rollover Account.

10.2 Plan-to-Plan Transfers.

10.2.1 **To the Plan.** Effective January 1, 2009, no transfers to this Plan, other than rollovers, as provided in section 10.1.1 shall be permitted.

10.2.2 **From the Plan**. Effective January 1, 2009, no plan-to-plan transfers from this Plan shall be permitted except as provided in section 10.1.4.

10.3 Transfers to Purchase Service Credit.

10.3.1 Effective January 1, 2009, the Plan no longer allows transfers to purchase service credit.

10.3.2 **January 2008 – December 2008.** As provided in section 121.35 (3)(i), F.S. "Effective January 1, 2008, through December 31, 2008, except for an employee who is a mandatory participant of the State University System Optional Retirement Program, an employee who has elected to participate in the State University System Optional Retirement Program shall have one opportunity, at the employee's discretion, to transfer from this program to the Florida Retirement System Pension Plan or to the investment plan, subject to the terms of the applicable contracts of the State University System Optional Retirement Program.

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1. If the employee chooses to move to the investment plan, any contributions, interest, and earnings creditable to the employee under the State University System Optional Retirement Program must be retained by the employee in the State University System Optional Retirement Program, and the applicable provisions of s. 121.4501(4) shall govern the election.
2. If the employee chooses to move to the pension plan of the Florida Retirement System, the employee shall receive service credit equal to his or her years of service under the State University System Optional Retirement Program.
   a. The cost for such credit must be in an amount representing the actuarial accrued liability for the affected period of service. The cost must be calculated using the discount rate and other relevant actuarial assumptions that were used to value the Florida Retirement System Pension Plan liabilities in the most recent actuarial valuation. The calculation must include any service already maintained under the pension plan in addition to the years under the State University System Optional Retirement Program. The actuarial accrued liability of any service already maintained under the pension plan must be applied as a credit to total cost resulting from the calculation. The division must ensure that the transfer sum is prepared using a formula and methodology certified by an enrolled actuary.
   b. The employee must transfer from his or her State University System Optional Retirement Program account, and from other employee moneys as necessary, a sum representing the actuarial accrued liability immediately following the time of such movement, determined assuming that attained service equals the sum of service in the pension plan and service in the State University System Optional Retirement Program."

10.4 **Contract Exchange and Custodial Account Exchanges**.

10.4.1 Members or Beneficiaries are permitted to change the investment of their Account Balances among the Service Providers under the Plan, subject to the terms of the Individual Agreements. The change of Member or Beneficiary investment Account Balances among Service Providers under the Plan is referred to as a "Contract Exchange." However, a Contract Exchange that includes an investment with a Service Provider that is no longer eligible to receive contributions is not permitted.

10.4.2 The Plan will not allow Contract Exchanges outside the Plan.

10.4.3 If any Service Provider ceases to be eligible to receive Contributions under the Plan, the Administrator will enter into an information sharing agreement with the receiving Service Provider for the other contract or Custodial Account under which the Administrator and the Service Provider will from time to time in the future provide each other with the following information:

A. Information necessary for the resulting contract or Custodial Account, or any other contract or Custodial Accounts to which Contributions have been made by the Employer, to satisfy section 403(b) of the Code, including the Employer providing information as to whether the Member's employment with the Employer is

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continuing, and notifying the Service Provider when the Member has had a Severance from Employment (for purposes of the Distribution restrictions in section 9.1).

B. Information necessary in order for the resulting contract or Custodial Account and any other contract or Custodial Account to which Contributions have been made for the Member by the Employer to satisfy other tax requirements, including information concerning the Member's or Beneficiary's after-tax employee Contributions in order for a Service Provider to determine the extent to which a Distribution is includible in gross income.

11. INVESTMENT OF CONTRIBUTIONS

11.1 **Manner of Investment.** All Elective Deferrals or other amounts contributed to the Plan, all property and rights purchased with such amounts under the Authorized Products and all income attributable to such amounts, property or rights shall be held and invested in one or more Annuity Contracts or Custodial Accounts.

11.2 **Exclusive Benefit.** Each Annuity Contract and Custodial Account shall provide for it to be impossible, prior to the satisfaction of all liabilities with respect to Member and their Beneficiary, for any part of the assets and income of the Custodial Account to be used for, or diverted to, purposes other than for the exclusive benefit of Members and their Beneficiary, except as provided in section 13.2, 13.3 or 13.5.

11.3 **Investment of Contributions**. Members or Beneficiaries shall direct the investment of their Accounts among the investment options available under their Annuity Contracts or Custodial Accounts in accordance with the terms of the Individual Agreements.

11.4 **Information Sharing.** Each Service Provider and the Administrator shall exchange such information as may be necessary to satisfy section 403(b) of the Code or other requirements of applicable law. In the case of a Service Provider which is not eligible to receive Elective Deferrals under the Plan (including a Service Provider which has ceased to be a Service Provider eligible to receive Elective Deferrals under the Plan and a Service Provider holding assets under the Plan), the Employer shall keep the Administrator informed of the name and contact information of the Member in order to coordinate information necessary to satisfy section 403(b) of the Code or other requirements of applicable law.

12. PLAN AMENDMENT AND TERMINATION

12.1 **Termination of Contributions.** The State of Florida has no obligation or liability whatsoever to maintain the Plan for any specific length of time and may discontinue Contributions under the Plan at any time without any liability hereunder for any such discontinuance.

12.2 **Amendment and Termination.** The Administrator reserves the authority to amend or terminate this Plan any time.

12.3 **Distribution upon Termination of the Plan.** The Administrator may provide that, in connection with a termination of the Plan and subject to any restrictions contained in the Individual Agreements, all Accounts will be distributed, provided that the Employer and any Related Employer on the date of termination do not make Contributions to an alternative section 403(b) contract that is not part of the Plan during the period beginning on the date of plan termination and ending 12 months after the Distribution of all assets from the Plan, except as permitted by the Income Tax Regulations.

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13. OTHER PLAN PROVISIONS

13.1 **Non-Assignability.** Except as provided in sections 13.2, 13.3, and 13.5 the interest of each Member or Beneficiary under the Plan are not subject to the claims of the Member's or Beneficiary's creditors; and neither the Member nor any Beneficiary shall have any right to sell, assign, transfer, or otherwise convey the right to receive any payments hereunder or any interest under the Plan, which payments and interest are expressly declared to be non-assignable and non-transferable.

13.2 **Qualified Domestic Relation Orders.** If a judgment, decree, or order (including approval of a property settlement agreement) that relates to the provision of child support, alimony payments, or the marital property rights of a spouse or former spouse, child, or other dependent of a Member is made pursuant to the domestic relations law of any state ("domestic relations order"), then the amount of the Member's Accumulated Benefit shall be paid in the manner and to the person or persons so directed in the domestic relations order. Such payment shall be made without regard to whether the Member is eligible for a Distribution of Benefits under the Plan. The Administrator shall direct the Service Provider to establish reasonable procedures for determining the status of any such decree or order and for effectuating Distribution pursuant to the qualified domestic relations order.

13.3 **IRS Levy.** The Service Provider may pay from a Member's or Beneficiary's Account Balance the amount that the Service Provider finds is lawfully demanded under a levy issued by the Internal Revenue Service with respect to that Member or Beneficiary or is sought to be collected by the United States Government under a judgment resulting from an unpaid tax assessment against the Member or Beneficiary; provided, however, that the United States Government:

(a) cannot garnish or otherwise collect against a Member's or Beneficiary's Benefit until the Member or Beneficiary has a right to a Distribution (distributable event) under the terms of the Plan;

(b) steps into the shoes of either the Members or Beneficiaries and can make an election on their behalf when such persons are eligible for Distributions but has not elected same; and

(c) is subject to the joint and survivor annuity rules and other Plan provisions to the same extend as the Member or Beneficiary.

13.4 **Military Service**. Notwithstanding any provision of this Plan to the contrary, Contributions, Benefits and service credit with respect to qualified military service will be provided in accordance with section 414(u) of the Code. In addition, the survivors of any Member who dies on or after January 1, 2007, while performing qualified military service, are entitled to any additional Benefits (other than Benefit accruals relating to the period of qualified military service) that would have been provided under the Plan had the Member resumed employment and then terminated employment on account of death.

13.5 **Tax Withholding.** Contributions to the Plan are subject to applicable employment taxes including, if applicable, Federal Insurance Contributions Act (FICA) taxes with respect to Elective Deferrals, which constitute wages under section 3121 of the Code). Any Benefit payment made under the Plan is subject to applicable income tax withholding requirements (including section 3401 of the Code and the Employment Tax Regulations thereunder). A payee shall provide such just and true information as the Service Provider may need to satisfy income tax withholding obligations, and any other information that may be required by guidance issued under the Code.

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13.6 **Payments to Minors and Incompetents.** If a Member or Beneficiary entitled to receive any Benefits hereunder is a minor or is adjudged to be legally incapable of giving valid receipt and discharge for such Benefits, the Benefits will be paid to such person as may be designated for the discharge for such Benefits, Benefits will be paid to such person as may be designated for the benefit of such Member or Beneficiary. Such payments shall be considered a payment to such Member or Beneficiary and shall, to the extent made, be deemed a complete discharge of any liability for such payments under the Plan.

13.7 **Mistaken Contributions.** If any Contribution (or any portion of a Contribution) is made to the Plan by a good faith mistake of fact, then, upon receipt in good order of a proper request approved by the Administrator, the amount of the mistaken Contribution shall be returned directly to the Member or, to the extent required or permitted by law returned to the Employer or held in the Plan for the benefit of the Employer to offset future Employer Contributions.

13.8 **Procedure When Distributee Cannot Be Located**. The Service Provider shall make all reasonable attempts to determine the identity and address of a Member or a Member's Beneficiary entitled to Benefits under the Plan. For this purpose, a reasonable attempt means (a) the mailing by certified mail of a notice to the last known address shown on the Service Providers, the Employer's or the Plan Administrator's records, (b) notification sent to the Social Security Administrator or the Pension Benefit Guaranty Corporation (under their program to identify payees under retirement plans), and (c) the payee has not responded within 6 months. If the Service Provider is unable to locate such a person entitled to Benefits hereunder, or if there has been no claim made for such Benefits, the funding vehicle shall continue to hold the Benefits due such person.

13.9 **Headings**. Headings of the Plan have been inserted for convenience of reference only and are to be ignored in any construction of the provisions hereof.

13.10 **Gender**. Pronouns used in the Plan in the masculine or feminine gender include both genders unless the context clearly indicates otherwise.

13.11 **After-Tax Employee Contributions.** The Plan will not accept After-Tax Employee Contributions.

IN WITNESS THEREOF, the State of Florida, Department of Management Services has caused this Plan to be executed by its undersigned official as duly authorized.

DEPARTMENT OF
MANAGEMENT SERVICES

_____ _____

David R. DiSalvo
Director

Date

Effective Date of the Plan: Upon signing.

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APPENDIX A
DESIGNATED SERVICE PROVIDER COMPANIES

1. AIG (formerly VALIC)
2. Equitable (formerly AXA)
3. TIAA (formerly TIAA-CREF)
4. VOYA (formerly ING)

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ATTACHMENT B - LIST OF AUTHORIZED PRODUCTS

Authorized Products – Mutual Funds

Mutual Funds	Asset Class	Fund Number	Fund Name	Fund Ticker
1	Stable Principal - Money Market	2573	Vanguard Federal Money Market	VMFXX
2	Bond - Index	799	Vanguard Total Bond Market Index Fund	VBTIX
3	Broad Market Stock Index	2208	Vanguard Total Stock Market Index Fund	VITSX
4	Stock - International Index	9772	Vanguard Total International Stock Index*	VTSNX
5	Bond - Intermediate Corp/Go Mix	2287	Metropolitan West Total Return Bond Fund	MWTIX
6	Stock - Large Growth	2467	T. Rowe Price Institutional Large Cap Growth	TRLGX
7	Stock - Large Value	6935	Touchstone Value Fund Institutional	TVLIX
8	Stock - Small/Medium Growth	6112	Delaware Smid Growth	DFDIX
9	Stock - Small/Medium Value	2566	DFA U.S. Targeted Value Portfolio	DFFVX
10	Stock - International Equity	3474	Aberdeen International Equity	GIGIX
11	Stock - Emerging Markets Equity	1913	DFA Emerging Markets Core Equity	DFCEX
12	Bond - Government	3223	DFA Inflation-Protected Securities	DIPSX
13	Stock - Socially Responsible Investing	7069	Neuberger Berman Sustainable Equity Fund	NBSLX
14	Target Date Fund	795	Vanguard Target Retirement Income	VTINX
16	Target Date Fund	791	Vanguard Target Retirement 2015	VTXVX
17	Target Date Fund	1296	Vanguard Target Retirement 2020	VTWNX
18	Target Date Fund	926	Vanguard Target Retirement 2025	VTTVX
19	Target Date Fund	1297	Vanguard Target Retirement 2030	VTHRX
20	Target Date Fund	793	Vanguard Target Retirement 2035	VTTHX
21	Target Date Fund	1298	Vanguard Target Retirement 2040	VFORX
22	Target Date Fund	794	Vanguard Target Retirement 2045	VTIVX
23	Target Date Fund	1299	Vanguard Target Retirement 2050	VFIFX
24	Target Date Fund	2473	Vanguard Target Retirement 2055	VFFVX
25	Target Date Fund	3447	Vanguard Target Retirement 2060	VTTSX

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Authorized Products –Annuities

Annuities	Provider Company	Asset Class	Investment Product	Ticker Symbol
1	AXA	Capital Preservation - Short Term	Guaranteed Interest Option	N/A
2	AXA	Bond - Intermediate Corp/Go Mix	EQ/Intermediate Government Bond	N/A
3	AXA	Stock - Large Value	Invesco V.I. Diversified Dividend II	N/A
4	AXA	Stock - International Equity	MFS International Value Svc	N/A
5	AXA	Bond - Tips	PIMCO VIT Commodity Real Return Strat Adv	N/A
6	AXA	Stock - Socially Responsible Investing	EQ/Calvert Socially Responsible	N/A
7	TIAA	Guaranteed Fixed Annuity	TIAA Traditional RC (NEW Money)	N/A
8	TIAA	Capital Preservation Short Term	CREF Money Market Account	QCMMIX
9	TIAA	Fixed Income	CREF Bond Market Account	QCBMIX
10	TIAA	US Equity	CREF Equity Index Account	QVEQIX
11	TIAA	US Equity	CREF Stock Account	QCSTIX
12	TIAA	International Equity NON-	CREF Global Equities Account	QCGLIX
13	TIAA	Real Estate	TIAA Real Estate Account	QREARX
14	TIAA	Bond - Tips	CREF Inflation-Linked Bond Account	QCILIX
15	TIAA	Stock - Socially Responsible Investing	CREF Social Choice Account	QCSCIX
16	VALIC	Capital Preservation - Short Term	Fixed Account	N/A
17	VALIC	Bond - Intermediate Corp/Go Mix	VALIC Company II Core Bond	VCCBX
18	VALIC	Stock - Large Growth	VALIC Company I Blue Chip Growth	VCBCX

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Annuities	Provider Company	Asset Class	Investment Product	Ticker Symbol
19	VALIC	Stock – Balanced	Vanguard Wellington™ Inv	VWELX
20	VALIC	International Equity	VALIC Company I Foreign Value	VCFVX
21	VALIC	Bond - Tips	VALIC Company I Inflation Protected	VCTPX
22	VALIC	Socially Responsible	VALIC Company II Socially Responsible	VCSRX
23	VOYA	Capital Preservation - Short Term	Voya Fixed Plus Account II	N/A
24	VOYA	Bond - Intermediate Corp/Go Mix	Metropolitan West Total Return Bond I	MWTIX
25	VOYA	Stock - Large Growth	T. Rowe Price Institutional Large Cap Growth	TRLGX
26	VOYA	Stock - Large Value	Touchstone Value Fund - Institutional Class	TVLIX
27	VOYA	Stock - Small/Medium Growth	Delaware Smid Growth Fund - Institutional Class	DFDIX
28	VOYA	Stock - Small/Medium Value	DFA U.S. Targeted Value Portfolio - Institutional Class	DFFVX
29	VOYA	Stock - International Equity	Aberdeen International Equity Instl	GIGIX
29	VOYA	Stock - Emerging Market	Aberdeen International Equity Instl	GIGIX
30	VOYA	Market	DFA Emerging Markets Core Equity Portfolio - Inst Class	DFCEX
31	VOYA	Bond - Tips	DFA Inflation-Protected Securities Portfolio -Inst Class	DIPSX
32	VOYA	Socially Responsible	Neuberger Berman Socially Responsive Fund - Inst Class	NBSLX

ATTACHMENT C - PERFORMANCE METRICS

No.	METRIC	LOCATION	MEASUREMENT FREQUENCY	DEFINITION	SERVICE LEVEL	FINANCIAL CONSEQUENCE
1	Call Center Availability	4.2.C p.10	Quarterly	Service provider call center is available during scheduled hours.	≥ 99% of the time.	$250 per quarter.
2	Call Center Resolve Member Issues	4.2.D p.10	Quarterly	Service provider shall resolve call center Member issues, contingent upon the service provider's receipt of all pertinent information needed for resolution.	≥ 95% of verbal customer issues closed within 5 Business Days. ≥ 98% of verbal customer issues closed within 10 Business Days.	$500 per quarter.
3	Service Provider Website Availability	4.2.E p.10	Quarterly	Service provider's website is available 24 hours 7 days a week, excluding any mutually agreed upon downtime associated with maintenance or updates to the website.	≥ 99% of the time.	$250 per quarter.
4	Annual Member Satisfaction Survey	4.2.F p.10	Annually	Service provider shall receive an acceptable satisfaction rating on annual Member surveys.	≥ 85% satisfaction rating (7 or higher on a 10-point scale).	$5,000 per year.

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No.	METRIC	LOCATION	MEASUREMENT FREQUENCY	DEFINITION	SERVICE LEVEL	FINANCIAL CONSEQUENCE
5	Contributions Credited to Member Accounts	4.4.A p.12	Quarterly	Service provider shall credit Contributions to the Member's account on the day of receipt, provided the data and disbursement is determined to be in good order in accordance with the service provider's in good order notice policy.	100% of the time.	$250 per quarter and Member is made whole as though the transaction occurred timely.
6	Fund-to-Fund Transfers	4.4.B p.12	Quarterly	Service provider shall process member requests for fund-to-fund transfers within the same Business Day the request is received. Transfers received after 4:00 pm, EST or earlier Market close, will receive the next day's market closing price.	≥ 99% of the time.	$250 per quarter and Member is made whole as though the transaction occurred timely.

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No.	METRIC	LOCATION	MEASUREMENT FREQUENCY	DEFINITION	SERVICE LEVEL	FINANCIAL CONSEQUENCE
7	Quarterly Reconciliation Report Corrections	4.4.D p.12	Quarterly	Service provider shall process Quarterly Reconciliation Report corrections within 10 Business Days of notice by the Department. Notwithstanding the forgoing, Correction completion may be contingent on a future payroll cycle, which could be outside of the 10 Business Day deadline, due to remittance file frequency.	≥ 99% of the time.	$250 per occurrence.
8	Department Approval for Distributions	4.4.F.3 p.13	Per Occurrence	Service provider shall obtain an approval code from the Department prior to making full or partial distribution to Members.	100% of the time	$2,500 per occurrence.
9	Department-Approved Distributions	4.4.F..5 p.13	Quarterly	Service provider shall accurately and completely process Department-approved Distributions within five (5) Business Days of receipt if all documentation is received within good order.	≥ 99% of the time.	$1,250 per quarter.

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No.	METRIC	LOCATION	MEASUREMENT FREQUENCY	DEFINITION	SERVICE LEVEL	FINANCIAL CONSEQUENCE
10	Contract Exchanges	4.4.I.3 p.14	Quarterly	The sending service provider shall confirm that the receiving service provider is authorized under the Plan.	≥ 99% of the time.	$500 per occurrence.

ATTACHMENT D - CONTRACT DELIVERABLES

No.	DELIVERABLE	CONTRACT LOCATION	DUE DATE	FINANCIAL CONSEQUENCE WHEN A DUE DATE IS NOT MET
1	Member Satisfaction Survey	4.2.G p.10	Due within 60 Business Days after December 31, 2021 and every year thereafter.	$500 per occurrence.
2	Member Notification of Authorized Product Performance and Fees	4.2.H p.10	Service provider shall annually notify its SUSORP and SMSOAP Members of all Authorized Product Performance and Fees as directed by the Department.	$500 per occurrence.
3	Quarterly Member Statement	4.2.I p. 11	Within 30 Calendar Days after the end of each quarter the service provider shall make available to the Member a Quarterly Member Statement of the Member's account status.	$500 per occurrence.
4	List of On-Site Representatives	4.2.J p. 11	Within 30 Calendar Days of the Execution Date of this Contract, service provider shall provide the Department with a list of its on-site representatives.	$500 per occurrence.
5	Quarterly Suspense Account Report	4.4.C p.12 and M.1.6 p.17	Within 20 Business Days after the end of each quarter, service provider shall submit a Quarterly Suspense Account Report with opening balance, transactions during the quarter, and closing balance.	$500 per occurrence.
6	Quarterly Reconciliation Report	4.4.D p.12 and 4.4.M.5 p.17	Within 20 Business Days after the end of each year quarter, service provider shall provide a Quarterly Reconciliation Report of contributions received and credited to each Member's account.	$500 per occurrence.
7	Overpayment Recapture Documentation	4.4.G.3 p.13	Within 20 Business Days of correspondence date service provider will provide the Department copies of correspondences attempts and follow up documentation to recapture the distributions paid in error.	$500 per occurrence.
8	Monthly Distribution Report	4.4.M.1. p.16	Within 20 Business Days after the end of each month, service provider shall deliver to the Department the Monthly Distribution Report.	$500 per occurrence.

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No.	DELIVERABLE	CONTRACT LOCATION	DUE DATE	FINANCIAL CONSEQUENCE WHEN A DUE DATE IS NOT MET
9	Quarterly Assets Under Management Report	4.4.M.2 p.16	Within 20 Business Days after the end of each quarter, the service provider shall provide a report of total assets under management by active and inactive Members for SUSORP and SMSOAP.	$500 per occurrence.
10	Quarterly Authorized Product Performance and Fee Report	4.4.M.3 p.16	Within 20 Business Days after the end of each quarter, service provider shall provide a report containing performance and fees for all Authorized Products (proprietary and non-proprietary).	$500 and an additional $250 per Business Day until received.
11	Quarterly Performance Metrics Report	4.4.M.4 p.17	Within 20 Business Days after the end of each quarter, the service provider shall provide a report containing information on whether the service provider met the performance standard for each Performance Metric.	$500 per occurrence.
12	Annual SUSORP and SMSOAP Reports	4.4.M.7 p.17	On or before March 1st of each year, service provider shall deliver to the Department an annual report for SUSORP and SMSOAP for the period of January through December as specified in the Contract.	$500 per occurrence.
13	Proposed End of Contract Transition Plan	6.1.A p.19	Within three (3) calendar months after the date of execution of this Contract, the service provider shall provide to the Department a Proposed End of Contract Transition Plan to transition services from the service provider to another service provider.	$500 and $250 per day until received.
14	Revised End of Contract Transition Plan	6.1.B p.19	Nine (9) months prior to the Contract expiration date, the service provider shall provide to the Department a Revised End of Contract Transition Plan.	$500 and $250 per day until received.
15	Final End of Service Transition Plan	6.1.C p.19	Within 60 Calendar Days of Department's notification, the service provider shall provide to the Department a Final End of Service Transition Plan.	$500 and $250 per day until received.
16	Corrective Action Plan	7.3 p.21 and 8.2.E p.23	Within 20 Business Days of the request for a Corrective Action Plan for an issue, problem, non-compliance or underperformance, or Event of Default.	$100 per occurrence and $100 per Business Day until received.

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ATTACHMENT E - MONTHLY DISTRIBUTION REPORT FILE FORMAT

Service Provider Monthly Distribution File (from Service Provider monthly)

Effective 8/1/2014

SPARK fields below are from SPARK document – Best Practices for 403(b)- Information Sharing document Page 6(header), page 32(detail) Version 1.04

File Layout
Header Record

Data Field	Length	Definition
No Header.		

Detail Record

Data Field	**Table Data Type**	**Length (File)**	**Position**	**Definition**	**SPARK field**
Report Month Date	DATE	8	1-8	Report date for the file (Format: CCYYMMDD)	C8 (header, page 6) Ex: 20140831
Company Name	VARCHAR2(25)	25	9-33	Company name	none
Aggregator Plan ID	Alphanumeric	20	34-53	The identifier used by the Aggregator (if any) to identify the Plan.	1 (page 32) N/A as of 7/2014
Employer Plan ID	Alphanumeric	20	54-73	Plan ID used by the Employer to uniquely identify the Plan. May be the same as the Aggregator Plan ID.	A. 2 (page 32) FLASUSORP or FLASMSOAP
Vendor Plan ID	Alphanumeric	20	74-93	The Plan ID used by the vendor to identify the Plan.	A. 3 (page 32) Vendor assigned.
SSN	VARCHAR2(9)	9	94-102	Social Security number	A. 4 (page 32)
First Name	VARCHAR2(35)	35	103 – 137	Participant name	none
Last Name	VARCHAR2(35)	35	138 – 172	Participant name	none
Employee Account Numbers	Alphanumeric	25	173-197	Employee specific account/ contract number at the Vendor. This is the Participant's contract or account number at the Vendor level. Participants may have more than one account or contract with the same Vendor. This field is needed in order to properly reflect the	A. 5 (page 32)

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				account values at the contract level.	
Data Field	**Table Data Type**	**Length (File)**	**Position**	**Definition**	**SPARK field**
Vendor Transaction Number	Alphanumeric	20	198-217	A unique identifier of this Distribution transaction at the Vendor's discretion.	A. 6 (page 32) Vendor assigned.
Distribution Type	Numeric	2	218-219	The type of distribution processed Type of Distribution Made 01 – (Contract) Exchange 02 – Hardship Withdrawal, (including HEART withdrawals) 03 – In Service Withdrawal 04 – Loan 05 – Rollover (out of the plan) 06 – Separation from Service distribution 07 – Death 08 – Disability 09 – Required Minimum Distribution (RMD) 10 – Qualified Domestic Relations Order (QDRO) 11 – Other	A. 7 (page 32)
Distribution Date	DATE	8	220-227	Date of the distribution (Format: CCYYMMDD)	A. 8 (page 33)
Distribution Amount	NUMBER(9,2)	11	228-238	Amount of the distribution (Seven numbers followed by 2 decimal places. The decimal point is implied.)	A.9 (page 33)(field size differs)

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Data Field	**Table Data Type**	**Length (File)**	**Position**	**Definition**	**SPARK field**
Distribution Reason	Alphanumeric	2	239-240	The reason for this distribution C = Casualty Loss D = Disability F = Funeral HP = Home Purchase M = Medical PF = Prevent Foreclosure T = Tuition O = Other U = Unknown If a Specific Distribution Reason is not known and Distribution Type = Hardship -'02', submit as 'U' Null Value for any other Distribution Type other than Hardship -'02'	A.10 Page 33
Distribution Payee	VARCHAR2(35)	35	241-275	The payee that received the distribution (name or entity)	None
Company Number (AKA Vendor Source)	VARCHAR2(2)	20	276-295	Company number (Zero fill to last 4 digits): 0001 - MetLife 0002 – TIAA-CREF 0003 – VALIC 0004 – Jefferson National 0008 – ING (SUSORP) 0050 – Great West 0051 – ING (SMSOAP)	A.11 (page 33) Assigned by DMS.

Trailer Record

Data Field	Length	Definition
No trailer	n/a	n/a

Trailer Record

Data Field	Logical Length	Definition
No Trailer.		

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ATTACHMENT F - QUARTERLY ASSETS UNDER MANAGEMENT REPORT FORMAT

Quarterly Assets Under Management Report Format

	A	B	C	D	E
1	**SUSORP/SMSOAP ASSETS UNDER MANAGEMENT AS OF _____**				
2	**(SERVICE PROVIDER NAME)**	**ACTIVE MEMBERS**	**INACTIVE MEMBERS**	**TOTAL ACTIVE AND INACTIVE MEMBERS**	**TOTAL ASSETS UNDER MANAGEMENT**
3	SUSORP				
4	SMSOAP				
5	**TOTAL SUSORP/SMSOAP**				

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ATTACHMENT G – QUARTERLY AUTHORIZED PRODUCT PERFORMANCE AND FEE REPORT FORMAT
(Includes All Mutual Funds and Annuities, Proprietary and Non-Proprietary)

Quarterly Authorized Product Performance and Fee Report

A	B	C	D	E	F	G	H	I
(Service Provider)								
Authorized Product								
Quarterly Performance Reporting								
(Quarter-End Date)								
		Total Return as of the Quarter-End Date, for the preceding period:						
Fund Name	**Ticker**	**3-Month**	**Calendar YTD**	**5-Year**	**Sharpe Ratio**	**Std Dev (3-Year)**	**Annual Net Expense Ratio**	**Manager Tenure**

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ATTACHMENT H – QUARTERLY RECONCILIATION REPORT FILE FORMAT

OP600 Provider Quarterly Reconciliation File (from Provider Company quarterly)

File Layout

Header Record

Data Field	Length	Definition
No Header.		

Detail Record

Data Field	Table Data Type	Length (File)	Position	Definition	SPARK field
SSN	Alphanumeric	9	1-9	Social Security number	
Employee Name	Alphanumeric	25	10-34	Participant name	
Quarter Date	Date	8	35-42	Quarter Date (Format: CCYYMMDD)	
Provider Number	Alphanumeric	2	43-44	Used to find the provider code.	
Provider Name	Alphanumeric	25	45-69	Employee specific account/ contract number at the Vendor. This is the Participant's contract or account number at the Vendor level. Participants may have more than one account or contract with the same Vendor. This field is needed in order to properly reflect the account values at the contract level.	
Provider Employee Amount	Numeric	8	70-77	Provider Employee Amount with two decimal places implied.	
Provider Employer Amount	Numeric	8	78-85	Provider Employee Amount with two decimal places implied.	
Accumulated Employee Amount	Numeric	10	96-95	Accumulated Employee Amount with two decimal places implied.	
Accumulated Employer Amount	Numeric	10	96-105	Accumulated Employer Amount with two decimal places implied.	

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Data Field	Table Data Type	Length (File)	Position	Definition	SPARK field
Accumulated Employee Amount	Numeric	10	106-115	Accumulated Employee Amount with two decimal places implied.	
Mandatory Employee Amount	Numeric	8	116-123	Accumulated mandatory Employee Amount with two decimal places implied.	
Accumulated Mandatory Employee Amount	Numeric	10	124-133	Accumulated mandatory Employee Amount with two decimal places implied.	

Trailer Record

Data Field	Length	Definition
No trailer	n/a	n/a

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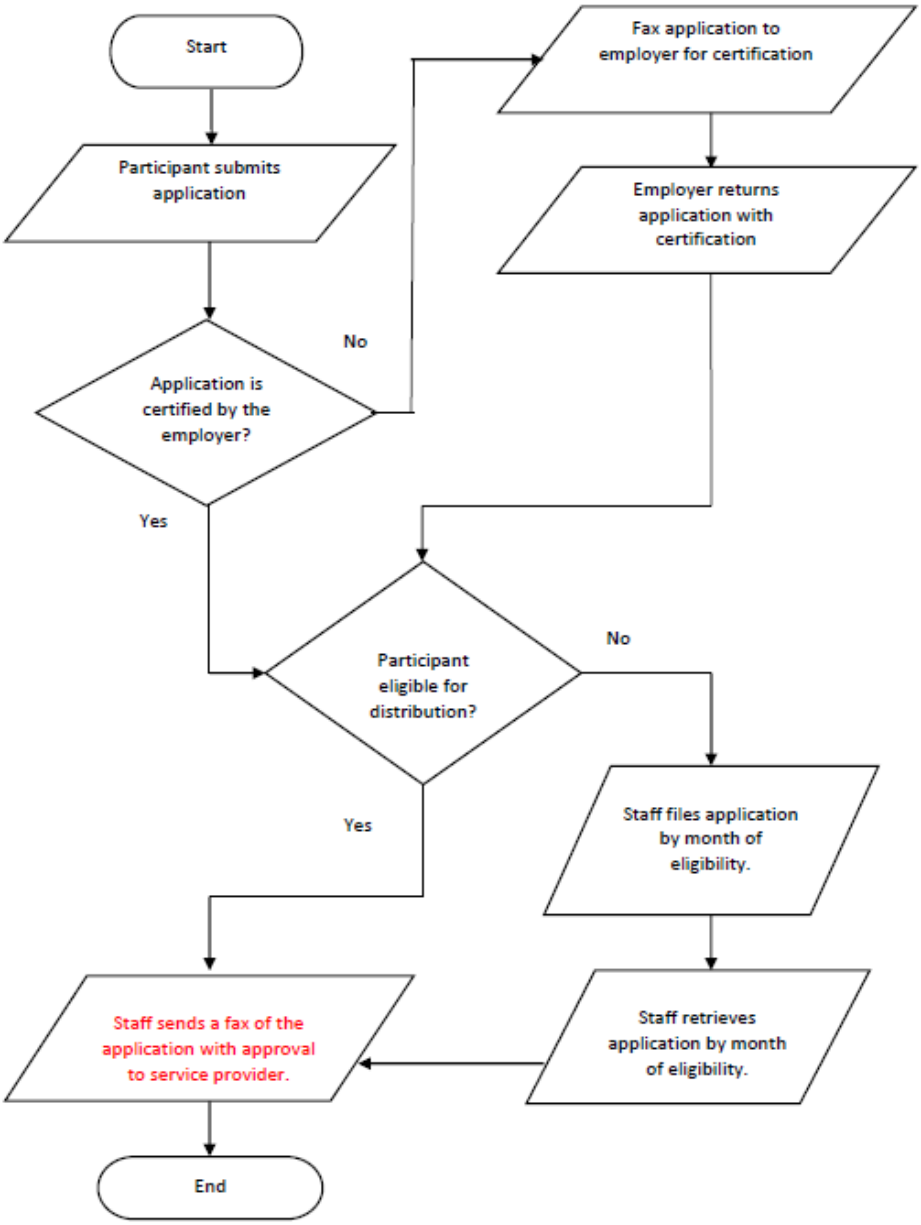
ATTACHMENT I – MEMBER DISTRIBUTION APPLICATION PROCESS MAPS

Current Member Distribution Application Process Map



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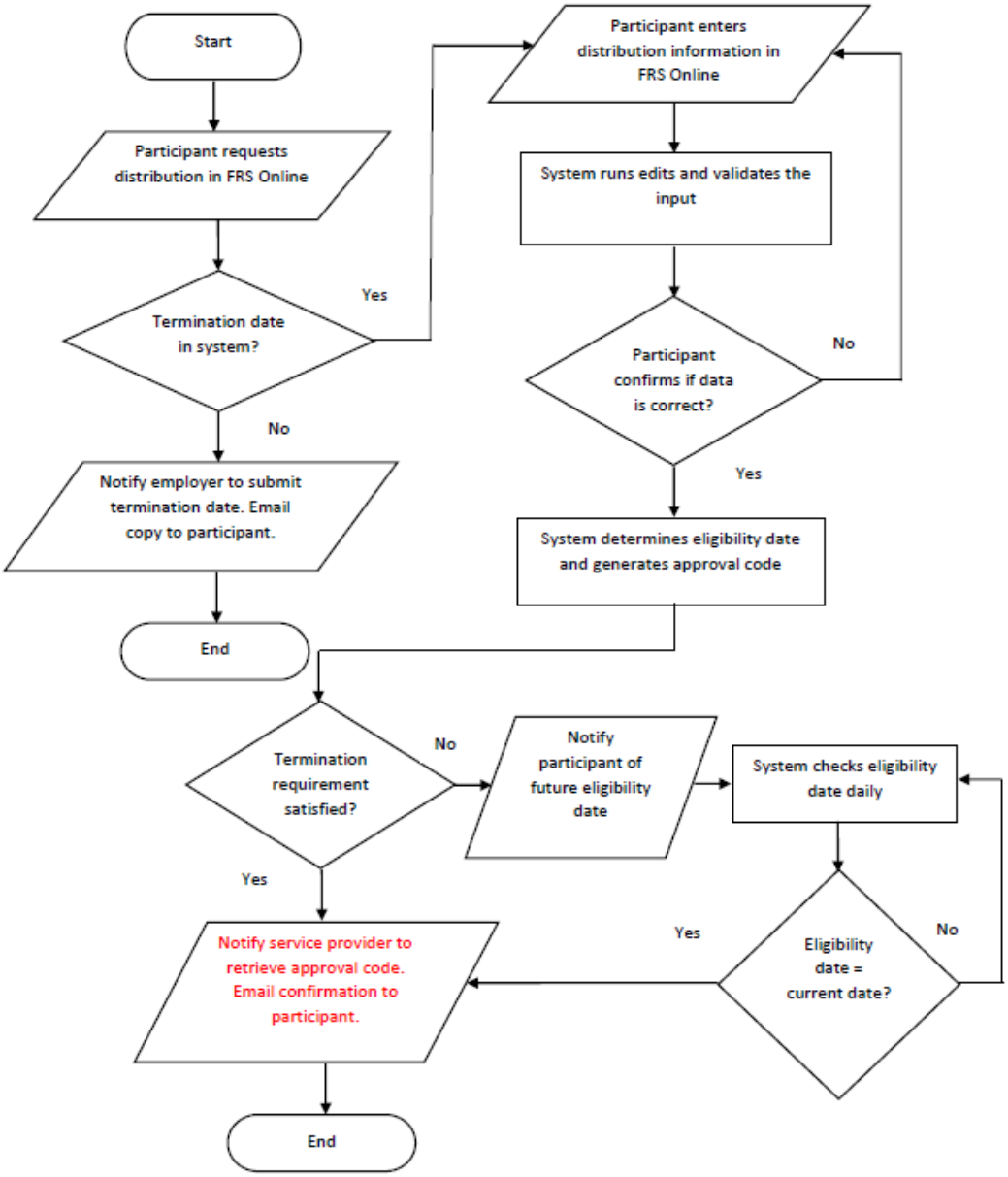
Future Member Distribution Application Process Map