

West Virginia Teachers Defined Contribution Retirement System Plan

COST PROPOSAL FORM

Vendor Name: Great-West Life & Annuity Insurance Company

Vendors must complete this Cost Proposal Form and submit it in a separate, sealed envelope, marked "Cost Proposal" with its Proposal. State all fees, charges and costs to provide the TPA Services.

1. By Contract Year, complete the following;

Contract Year	Per-Participant Price Schedule with TDC Plan receiving all Commission, 12(b)1 fees and Shareholder Service Fees	Yearly Estimated Costs (assuming a five year contract period based upon the assumptions given below)
Contract Year 1	0.12%*	\$312,000
Contract Year 2	0.12%*	\$340,400
Contract Year 3	0.12%*	\$327,600
Contract Year 4	0.12%*	\$336,000
Contract Year 5	0.12%*	\$344,400
Total Five Year Costs		\$1,640,400

*Participants should include both active and inactive participants, as well as participants on a periodic payment schedule but not participants who have annuitized.

*Assumes proposed utilization of Maxim Lifetime Asset Allocation Series and suggested assets map to those funds. Also assumes one full-time, dedicated local Education Counselor. Should the TDC Plan wish to adjust local staff levels, we will provide further price reduction proportionate to the cost savings associated with the reduced staffing model.

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Bidders are required to submit Costs under a per-participant fee schedule with options for the allocation of commissions, 12(b)1 fees and shareholder service fees. The first (above) assumes that the TDC Plan will receive all commissions, 12(b)1 fees and shareholder service fees. The second "Alternative Price Schedule" (below) assumes that the TDC Plan will receive 75% of the commissions, 12(b)1 fees and shareholder service fees and the vendor will receive 25% of the commissions, 12(b)1 fees and shareholder service fees.

Contract Year	Per-Participant Price Schedule with the TDC Plan receiving 75% of the commissions, 12(b)1 fees and shareholder service fees and the vendor receiving 25% of the commissions, 12(b)1 fees and shareholder service fees	Yearly Estimated Costs including the 25% of the commissions, 12(b)1 fees and shareholder service fees received by the vendor (assuming a five year contract period based upon the assumptions below)
Contract Year 1	*	*
Contract Year 2	*	*
Contract Year 3	*	*
Contract Year 4	*	*
Contract Year 5	*	*
Total Five Year Costs		*

*Participants should include both active and inactive participants, as well as participants on a periodic payment schedule but not participants who have annuitized.

*Our revenue requirement does not change. The proposed investment lineup, when considering the variable funds only, is estimated to provide 0.21 percent in weighted revenue to the plan. This assumes a zero fee to participants where 100 percent of the fund revenue is given to the plan and used to offset the 0.12 basis point revenue requirement.

The total five year costs listed in the two (2) tables above plus the amount remaining at the end of contract year 5 from the start up cost table below, will be used in evaluating the cost bids for this proposal. Each of the two (2) costs scenarios in the above tables will be evaluated separately but the amount remaining at end of contract year 5 will be used in both evaluations. CPRB reserves the right to choose the costing scenario best suited to their needs.

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Start Up Costs

Identify extraordinary one-time start-up Costs expected to be incurred. Please detail these expenses and describe how you propose to amortize and be reimbursed for these costs under the fee proposal you have outlined. If the contract is terminated for a reason other than cause, prior to the end of initial five-year period, indicate any amounts, at the end of each year, that will remain unreimbursed and the contract termination terms you would require. The amount of these start-up costs may be expressed in a flat dollar amount.

Item	Amount of One-Time Start Up Costs and Contract Terms
Total Amount of One-Time Start Up Costs	Included
Amount Remaining At End of Contract Year 1	Included
Amount Remaining At End of Contract Year 2	Included
Amount Remaining At End of Contract Year 3	Included
Amount Remaining At End of Contract Year 4	Included
Amount Remaining At End of Contract Year 5	Included

Additional Fund Performance Review

The Agency may request additional Fund Performance Reviews in excess of the reports required in the RFP. Vendor will provide the additional reviews for the following additional fees:

Description	Cost Per Review
Basic Fund Performance Report	Included
Expanded Fund Performance Report	Full Fund Performance Report with AAG - \$25,000 / annually

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Additional Services

List any other fees or costs you would charge to provide the TPA Services.

Express Delivery

For an additional handling fee of \$25, participants do have the option of requesting express delivery of checks issued for an approved distribution. If express delivery is elected, the participant is able to track the delivery details using the participant Web site and the following information is displayed:

- Express Delivery Carrier Name (Federal Express, UPS, or United States Postal Service)
- Tracking Number
- Ship Date (The date the package was picked up and scanned by the express delivery carrier.)
- Direct hyperlink to the Express Carrier's Website (This link will take the participant directly to the Tracking Page for Federal Express, UPS or United States Postal Service and automatically pre-fill the tracking number.)

Automated Clearing House Fee

For a one-time ACH distribution, the fee assess is \$15. Please note that the fee is waived for ACH systematic distributions.

QDRO Fees

We offer our clients the flexibility to select a QDRO option that fits their needs. As such, we offer two alternatives from which the TDC Plan may select. They are:

Option 1:

We perform ministerial duties of gathering information for QDRO processing and distributions. The plan sponsor determines the qualified status and approves or denies the QDRO. This service is offered with no additional charge.

The following outlines the procedures for QDRO administration:

- Review proposed orders from an administrative perspective and forward our comments to the plan.
- Review final orders to determine if we can comply from an administrative perspective and communicate that determination to the plan.
- Provide access to a correspondence representative who can explain the QDRO process and answer questions related to the services we provide for participants, attorneys, and alternate payees who telephone client service.
- Calculate the amount due the alternate payee. We can only provide calculations for the periods for which we were the recordkeeper.
- Establish an account for the alternate payee or issue a distribution to the alternate payee as specified by the plan and the order.

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- Provide confirmation letters to both parties upon completion of the process, with a copy to the plan administrator.
- Provide investment option information and a PIN to the alternate payee if an alternate payee account has been established.

Option 2:

Should the TDC Plan not wish to be part of the QDRO process, we will perform all of the procedures listed above, and in addition, we will:

- Issue a plan pre-approved Model order
- Review a proposed order to determine whether or not it will be acceptable once entered by the court
- Determine whether or not a filed order is an acceptable QDRO. Note: If the order is rejected because it is not materially similar to the plan's pre-approved model order and the parties appeal the denial, the plan is responsible for handling the appeal.

The charge for this service is \$250 per approved QDRO and is assessed to the participant or alternate payee, or the TDC Plan can elect to pay the fee.

Wire Fees

We can accommodate direct wire transfers for participant withdrawals and distributions. The cost for this service is \$40, payable by the participant.

Pricing Assumptions

No representations or warranties of any type or kind are made as part of this RFP as to the specific type or kind of investment options which may in the future be approved by the Agency nor are any representations or warranties made as to the number of members in the TDC Plan or the amount of assets that will constitute the Plan.

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You must use the following assumptions for the calculation of your firms estimated pricing above. Please note that the assumptions are estimated which are intended to be used in order to ensure comparability of pricing in the evaluation process. The State does not guarantee these participant, activity, or asset levels will occur.

At Contract Year Ending	Estimated Number of Active Participants	Estimated Total Number of Participants*	Estimated Number of Payments (Lump Sum and Installments)	Estimated Amount of Assets ** (millions)
Year 1	4,830	5,655	1,300	260
Year 2	4,787	5,575	1,300	267
Year 3	4,743	5,494	1,300	273
Year 4	4,700	5,414	1,300	280
Year 5	4,656	5,333	1,300	287

*Includes active, inactive and those on payout status.

**Mutual fund assets are valued at market value and amounts include the impact of contributions and distributions on the Plan.