



Legislation Text

File #: 24-2087, **Version:** 1

To: Board of Supervisors

From: Ann Elliott, Human Resources Director

Report Title: Contract Amendment with Empower Annuity Insurance Company of America for the 457 Deferred Compensation Plan

Recommendation of the County Administrator Recommendation of Board Committee

RECOMMENDATIONS:

APPROVE and AUTHORIZE the Director of Human Resources, or designee, to execute a contract amendment with Empower Annuity Insurance Company of America f/k/a Great-West Life & Annuity Insurance Company ("Empower Retirement), to extend the term through December 31, 2024, with no changes to the payment limit, for recordkeeping and administrative services for the 457 Deferred Compensation Plan.

FISCAL IMPACT:

The contract is funded by an \$18 annual fee for administrative services charged to each participant 457 Deferred Compensation Plan account. There is no fiscal impact beyond overhead administrative support costs, which are offset through the Contra Costa County Deferred Compensation Plan (I.R.C. § 457).

BACKGROUND:

Since July 2019, Contra Costa County has contracted with Empower Retirement to provide administrative recordkeeper services for the Deferred Compensation plan. Empower Retirement provides enrollment support to the County and its employees. Empower Retirement also provides for initial and ongoing education for new hires and those who choose to participate in the Plan, including face-to-face group sessions and one-on-one consultations. The current contract with Empower Retirement will expire on July 31, 2024.

A Request for Proposal (RFP) for a deferred compensation recordkeeper was distributed in April 2024. Evaluations of the RFP are currently underway to determine finalists and schedule their interviews. Once finalist interviews have been completed, the 457 Deferred Compensation Committee will provide a recommendation for the County's 457 Deferred Compensation Plan recordkeeper. A board order to advise of a contract with the selected service provider for the Deferred Compensation Plan will be forthcoming. This process will not be completed before the current contract expiration date of July 31, 2024. Therefore, the term of this contract needs to be extended through December 31, 2024, to provide sufficient time for the RFP evaluation process to be completed to select a recordkeeper.

CONSEQUENCE OF NEGATIVE ACTION:

The County's contract with Empower Retirement will expire. Without a contract amendment, many of the favorable terms and conditions of the current contract will be lost.