

Brett Minnick
Sydney Aeschlimann
Innovest
bminnick@innovestinc.com
saechlimann@innovestinc.com

Dear Mr. Minnick and Ms. Aeschlimann:

We understand the unique and complex challenges facing government plan sponsors. Mounting pressure on pensions continues to shift the direction of retirement programs to deferred compensation plans.

Lincoln's responsibility as a trusted retirement plan provider is to inspire confidence in plan sponsors and promote peace-of-mind for participants. We are committed to driving positive outcomes for every one of the 1.5 million participants we serve – and the plan sponsors that employ them.

We surveyed more than 4,000 government plan sponsors and found gaps between plan sponsors' goals and outcomes – **and a need for more personalized, results-oriented solutions**. The survey showed fewer than 1 in 5 are happy with their provider's responsiveness, ability to increase participation, and communication and education initiatives. The results helped us tailor our offering for every one of our government plan sponsors, with a focus on three key areas:

1. Deliver an exceptional retirement plan experience

Government plan sponsors emphasize people, relationships, loyalty, and commitment. We are dedicated to earning trust, exceeding expectations, and building long-term relationships for plan sponsors, consultants, and advisors.

2. Understand the specific needs of each plan

We proactively work to understand the unique challenges of each plan while building upon our 40 years in the sector. Government plan sponsors need a provider that understands their culture and goals and can improve the health of their plans.

3. Improve plan sponsor satisfaction

We routinely ask our plan sponsors how we are doing to make sure we focus on what is important to them, while adding the lessons learned into our interactions with all plan sponsors and participants.

SUCCESS STORY

Working with a government plan sponsor, Lincoln was able to automate many of the existing manual processes and to clarify and verify plan provisions and procedures. This ensured they were efficient and administered according to the plan document. Highlights of the administrative plan included:

- **A plan document review.** Plan designers reviewed the organization's plan document with two goals in mind: to ensure the plans were administered in accordance with the plan document and to review and enhance plan provisions.
- **Service touchpoints.** The plan sponsor and Lincoln teams implemented service touchpoints to review plan operations, additional service features, and plan enhancements.
- **Streamlined processes.** Lincoln implemented online transactions to replace time consuming, manual processes that had been performed by the plan sponsor's benefits staff.

Building a strong partnership

Our high-touch, high-tech strategy blends highly personal service, customized communication and education programs, and leading-edge online tools and resources.



Dedicated service team: Personal support is the cornerstone of a superior retirement plan experience. In a recent client satisfaction survey, we found 94% of plan sponsors trust Lincoln service teams. Relationship manager Peggy Mungovan will lead a team of retirement professionals who will work with the City to focus on strategic plan initiatives and provide proactive day-to-day administrative relief.



An engaging participant experience: Our communication and education program is personalized and customized to guide employees through each phase of planning and retirement. The omnichannel program engages and motivates participants to take positive action.

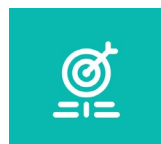
We are known throughout the industry for our one-on-one service. Our retirement consultants have the experience and know-how to help participants understand retirement planning and make informed decisions. They average 15 years of industry experience and 100% hold at least one industry designation. Each participant will have the opportunity to meet face-to-face with the City's dedicated retirement consultant, Kirsten Burchill.

Our **Retirement Consultant Impact Analysis** illustrates that across our plans, working with a Lincoln retirement consultant leads to:¹

- Participants contributing **69% more**
- **88%** of participants who meet with a retirement consultant contribute to **meet or exceed the match**
- Nearly **two times** the industry average



Best-in-class online experience: Our technology and ongoing proactive system enhancements make it easier for participants to engage with their accounts. Participants benefit from a highly personalized digital environment that allows them to make changes, find at-a-glance information, access actionable tools, and ultimately achieve financial wellness.



Financial wellness focus: Our financial wellness program provides actionable content and a personalized online tool. Available via single sign-on through our mobile-optimized participant website, the program helps participants tackle debt management, education savings, financial planning, budgeting, and long-term protection.



Cybersecurity: Our program provides 24/7/365 monitoring to address evolving threats while protecting all data entrusted to us. Our investment in data security, along with innovative measures to address social engineering, resulted in zero recordkeeping system breaches.

¹ Lincoln Financial data, 2022

The Lincoln difference

We have provided retirement guidance for 73 years. We understand there are key differences between plan providers that can affect the success of a benefits program. We firmly believe Lincoln offers the best approach for meeting the City's goals. In addition to the services above, we will provide:

- A dedicated conversion team whose proactive approach results in a seamless transition
- A website with intuitive navigation
- A flexible investment platform that offers zero and low-cost share classes
- Plan design, plan document, and compliance services
- Confidentiality, integrity, and availability of participant data

We believe success can only come from having the right partnership, the right products, and the right people. We are committed to helping Americans plan, protect, and retire – one saver at a time.

The contact for this proposal:

Brian Simms, Vice President / (303) 229-6720 / Brian.Simms@LFG.com

Respectfully,



Vice President
Brian Simms

Pricing Summary

City of Ann Arbor, MI

As requested, we are providing this pricing for City of Ann Arbor, MI¹.

Scenario one: No proprietary fund requirement

Our required revenue is 0.1225% annually on all assets or \$96 per participant per plan.

Scenario two: The Lincoln Stable Value Separate Account will be included in the final fund line-up. A 12-month put does not apply.

Our required revenue is 0.0325% annually on all assets or \$22 per participant per plan. Specific assumptions for this scenario include:

- If the City chooses to terminate the program, they can process withdrawals from the Lincoln Stable Value Account in one of the following ways:
 - Full contract value in six installments over a five-year period.
 - Full contract value less a potential market value adjustment paid at contract termination that will never be less than principal plus interest accrued at the GMIR.
- Lincoln Stable Value Account crediting rate is no less than 3.05% until December 31, 2025.

Scenario three: The Lincoln Stable Value Separate Account will be included in the final fund line-up. A 12-month put applies.

Our required revenue is 0.0325% annually on all assets or \$22 per participant per plan. Specific assumptions for this scenario include:

- A 12-month put option provides for a single payment of the full contract value following notice of termination of the stable value contract. The payment is made 12 months following our receipt of the termination notice.
- Lincoln Stable Value Account crediting rate is no less than 2.70% until December 31, 2025.

Assumptions for all scenarios

- Plans: One 457(b) and one 401(a)
- Expected assets at implementation: \$105 M
- Annual contributions: \$4.7 M
- Participants with a balance: 1,310
- Eligible employees: 765
- Retirement consultant support: 24 days annually
- There are no commissions or compensation included in the required revenue.
- The plan does not have an automatic enrollment feature. If this feature is adopted for new employees only, there is no change in pricing. If this is implemented for all eligible employees, pricing is subject to review.
- *WellnessPATH*®, our online financial wellness tool, is included.

¹ This proposal is guaranteed for 120 days as of 4/28/2023 after which time Lincoln reserves the right to reconsider its initial proposal. Our response to this pricing request has been prepared based on information presented in the RFP and any variation, plus or minus 10%, from the assumptions will result in re-pricing our quote.

- The GMIR is 1.00%.
- The self-directed brokerage account is included in pricing.
- Lincoln is the exclusive provider.
- Price guarantee: Five years

Participant fees

Fees assessed to participants' accounts include:

- Distribution processing fee - \$40
- In-service withdrawal fee - \$25
- QDRO processing fee - \$500
- Morningstar managed account services - 0.45% of all assets charged to participants who elect this service
- Self-directed brokerage account annual fee - \$50

I. MINIMUM QUALIFICATIONS¹

Requirement	Y/N
1. Must have a minimum of 10 years of experience administering 401a and 457 plans	Y
2. Must have a minimum of five 401a and 457 plans with an asset size at least \$100 million	Y
3. Must have a minimum of five 401a and 457 plans with a participant size of at least 1200	Y
4. The firm must offer a bundled service solution including recordkeeping/administration, communication, education, custodial trustee services, and an open investment management platform.	Y
5. Develop and maintain custom branded employee communication materials.	Y
6. Provide qualified, local, in-person educational support to City of Ann Arbor employees from salary-based representatives who are employees of your firm and do not receive any financial incentives or commissions based on participant investment selections or promotion of any investment product or services.	Y
7. Provide onsite meetings at key locations as agreed upon between the Board and firm at least 24 days per year, including group presentations and one-on-one planning, investment review, and enrollment meetings. Meeting times must consider shift schedules and seasonality of employees.	Y
8. The firm has experience with customers using UKG Pro (formerly UltiPro) payroll software.	Y
9. Able to handle all aspects of benefit distribution processing including disbursements of funds, preparation of required notices, tax withholding, tax reporting, tax filing and preparation and distribution of the 1099-R forms.	Y
10. Must have compliant SSAE 16, 18, or SOC2 on internal controls for a service organization.	Y
11. Must accurately and fully disclose all expenses and revenue associated with any investment or service made available under the plan(s). This includes mutual funds available to the plan, managed accounts, investment advice, financial planning, and self-directed brokerage accounts.	Y
12. Ability to recordkeep the existing investment menu or a willingness to add investments in the menu not currently available on your platform	Y

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II. RECORDKEEPER QUESTIONNAIRE

Contact Information²

Proposer Contact Information Responsible for this Bid

Company Name	Lincoln Retirement Services Company, LLC
Company Address	1301 S. Harrison Street Fort Wayne, IN 46802

Contact Name	Brian Simms
E-mail address	Brian.Simms@LFG.com
Mailing address	1636 Carlson Ave. Erie, CO 80516
Phone number	(720) 840-5636

² The information provided in response to the inquires in this section of this Request for Proposal constitutes trade secrets and commercial information considered to be confidential in nature to be used solely for evaluation purposes and which will not be disclosed to third parties without Lincoln Financial Group's prior written consent.

Key Considerations³

1. Explain what differentiates your firm from other recordkeepers when partnering with plans similar to The City of Ann Arbor Plans. Please limit your response to 500 words.

Personalized services



Lincoln's⁴ highly skilled service team provides sophisticated compliance and fiduciary services – and overall solutions that work.

Led by relationship manager, Peggy Mungovan, we will ensure the City receives comprehensive plan support. Each year, Peggy will offer at least one **proactive solution** in plan design, plan health, or streamlining administration.

Our relationship managers support small caseloads and commit to a four-hour response time, although on average they respond in less than one hour. The City can rely on the knowledge and experience of our team. Our latest Client Satisfaction Survey revealed:

- 94% of plan sponsors feel they are treated as an **important** client
- 94% consider our service teams **trustworthy**
- 94% characterize Lincoln plan administration and recordkeeping as **excellent**

Lincoln's plan design and compliance teams will **review the plan document** to ensure the plan reflects best-in-class practices. Plan sponsors receive assistance with plan design changes and emerging regulatory and legislative changes. Offered as a fiduciary best practice, we provide a **Plan Document Day** annually.

Our communication consultants work with plan sponsors to craft targeted campaigns that resonate with participants. Plans with a Lincoln communication consultant report 25% higher average participant account balances and a 9.8% higher average participation rate.

Our world-class retirement consultants help employees enroll, evaluate plan options, and set goals. Retirement consultant Kirsten Burchill will merge technology with face-to-face support in group and individual meetings to simplify topics and encourage participants to take action to improve their retirement readiness. Our retirement consultants are proven to produce strong results. Participants who meet with a Lincoln retirement consultant contribute 61% more to their accounts.

Innovative technology and tools



Our high-tech model allows participants to easily: **make account changes**, including contribution increases; **find at-a-glance information**, including portfolio balances; **access data-driven tools** designed to pinpoint goals; and **achieve financial wellness**.

Participants can easily track progress on their retirement journey and discover what they can do to improve their outcomes – all from a tablet, phone, desktop, or wearable. The growth of our digital features has led to industry awards and tangible results:

- 57% higher average deferral rate for participants who are engaged online

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⁴ Except where indicated otherwise, for the purposes of this proposal, Lincoln Financial Group or Lincoln refers to Lincoln Retirement Services Company, LLC only.

- 50% increase in deferral rates for participants who use **Click2ContributeSM**
- 46% increase in deferral rates for participants who use **My TargetSM Calculator**

Cybersecurity



We are dedicated to the confidentiality of all data entrusted to us. Our unmatched cybersecurity program provides 24/7/365 monitoring to address ongoing threats and evolving security risks. The program is tested through unannounced penetration testing, war-gaming scenarios, and an ongoing assessment of our technology ecosystems.

Lincoln protects participants through a reimbursement policy that returns the full amount of losses resulting from cybersecurity-related theft, fraud, or other unauthorized activities.⁵

Our senior management considers cybersecurity to be a critical business priority and provides the funding and support necessary to enforce all security policies.

2. Based on your understanding of this proposal and the client, why should The Board and/or The City of Ann Arbor select your firm? Please limit your response to 500 words.

Our high-touch, high-tech model grants us flexibility to meet the unique needs of the City and participants.

Lincoln's employees are committed to: integrity, urgency, ownership, and caring professionalism. We help participants improve retirement readiness through personalized service and competitive products.

Our model has led to the development of innovative technology to make it easier for participants to: make account changes, find at-a-glance information, access data-driven tools, and achieve financial wellness.

Why Lincoln?



Across our organization, Lincoln employees are committed to four quality standards: integrity, urgency, ownership, and caring professionalism. Our experience shows practicing these non-negotiable standards deeply resonate with plan sponsors and participants and guide improved plan performance and better retirement outcomes.

⁵ More information about this policy can be found at LFG.com.

Firm Overview⁶

3. Please complete the below charts for your organization

Year Founded	1905
Brief History	<p>Built on Abraham Lincoln's ideals of courage, optimism, and strength, Lincoln has been a proven provider of retirement solutions for 73 years. We manage thousands of retirement plans with more than 1.6 million people in organizations of all sizes in the government, small business, corporate, healthcare, education, public, and nonprofit sectors. Lincoln champions the commitment of plan sponsors to drive better retirement outcomes by motivating employees to invest in their future with optimism.</p> <p>As a leading retirement plan provider, we are committed to offering our partners a broad array of plan solutions to meet their needs – including an open architecture investment platform, plan design services, and compliance and fiduciary support. We deliver our solutions through a high-touch, high-tech model built on proactive, personal service.</p> <p>Lincoln Financial Group is the marketing name for Lincoln National Corporation (NYSE:LNC) and its affiliates.</p>
Services Provided (e.g., recordkeeping, life insurance, custodial/trustee, etc)	<p>Through our affiliated companies, Lincoln offers:</p> <ul style="list-style-type: none"> • Retirement services • Life insurance • Annuities • Group protection
Parent/Subsidiary/ Affiliate Relationships	<p>LNC affiliates related to retirement plan servicing include:</p> <ul style="list-style-type: none"> • The Lincoln National Life Insurance Company (LNL), the wholly owned subsidiary of LNC. LNL's wholly owned subsidiaries are: <ul style="list-style-type: none"> – Lincoln Financial Advisors Corporation – Lincoln Financial Distributors Inc. – Lincoln Retirement Services Company, LLC (LRSC) <ul style="list-style-type: none"> ○ Lincoln Financial Group Trust Company Inc. (LFGTC), the wholly owned subsidiary of LRSC
Ownership (publicly traded, privately held)	Publicly traded.
Please list any subcontractors which may provide services to the plan(s). Indicate firm names and types of services.	Not applicable. A subcontractor will not be used if the City selects Lincoln.

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For the last five years, describe legal and ethical inquiries, disciplinary actions, and/or litigation against the firm, owning interests, parents/subsidiaries/affiliates/subcontractors, and/or employees.

Type (Inquiry, Litigation, Disciplinary Action, etc.)

Status (Fine, Settlement, Ongoing, etc.)

Agency (Government agency, if applicable)

Type	Status	Agency	Description
Lincoln National Corporation and its affiliated entities are periodically subject to legal actions in the ordinary course of its business. We do not expect these legal actions to hinder our ability to provide recordkeeping and administration services to the City.			
For a description of Lincoln's legal actions that have been disclosed pursuant to applicable Securities and Exchange Commission regulations, please see our public filings at www.LFG.com .			
The public filings can be found here .			

Year	2022	2021	2020	2019	2018
Percent of Firm's Total Revenue Earned from Recordkeeping	7%	7%	7%	10%	10%
Recordkeeping Assets	30%	29%	28%	25%	25%

	A.M. Best	Standard & Poor	Moody	Fitch
Rating	A	A+	A1	A+

Number of Employees	Plans	Percentage of Total
Less than 100	21,065	92.68%
100-499	1,258	5.54%
500-999	176	0.77%
1,000 – 4,999	182	0.80%
5,000 – 10,000	28	0.12%
More than 10,000	19	0.08%
Total	22,728	100%

Assets	Plans	Percentage of Total
Less than \$5 million	20,764	91.36%
\$5 - \$25 million	1,482	6.52%

\$25 - \$50 million	229	1.01%
\$50 - \$250 million	200	0.88%
\$250 million - \$1 billion	48	0.21%
More than \$1 billion	5	0.02%
Total	22,728	100%

Plan Type	Assets	Participants	Plans
401(k)	\$29.21 B	511,848	7,234
401(a)	\$5.63 B	119,698	1,804
403(b)	\$42.57 B	770,140	11,116
457(b)	\$5.69 B	93,336	1,897
Taft-Hartley	\$142 M	2,470	4
NQDC	\$1.5 B	16,838	407
MEP	N/A	N/A	N/A
Other	\$3.48 B	10,208	1,286
Total	\$88.22 B	1,524,538	23,748

Provide the total number and dollar value of Plans gained and lost	1/1/2022 - 12/31/2022	1/1/2021 - 12/31/2021	1/1/2020 - 12/31/2020
Number of Plans Gained	122	142	137
Dollar Value of Plans Assets Gained	\$1.13 B	\$1.18 B	\$1.33 B
Number of Plans Lost	55	47	67
Dollar Value of Plans Assets Lost	\$991 M	\$1.41 B	\$2.56 B

Personnel Questions⁷

Please fill in the below table for the Service Team assigned to this plan You may move the columns to separate pages for formatting purposes				
	Relationship Manager	Day-to-day Administrative Contact	Participant Educator	Communications Consultant
Name & Title	Peggy Mungovan – Senior Relationship Manager	Katie Eckrich – Account Manager	Kirsten Burchill – Senior Retirement Consultant	Dana Smith – Senior Communication Consultant
Description of role and responsibilities	Peggy will be the single point of contact for plan-related items, Peggy will manage and coordinate all facets of the relationship and retirement plan. She will work with the City to ensure all service expectations and performance standards are achieved – from the initial needs assessment meeting to enrollment to implementation to ongoing service and participant education.	Katie will serve as the single point of contact for administrative service requests and daily inquiries. Her responsibilities include addressing the City's administrative needs and coordinating them across Lincoln's specialized areas to ensure we deliver on all service commitments.	Kirsten will meet one-on-one and in group settings to help employees enroll, save wisely, and retire with confidence. She will work closely with the relationship manager, the City's representatives, and other team members who share a commitment to driving better retirement outcomes.	Dana will develop and deliver strategic participant communication and education programs designed to meet and exceed the City's retirement plan goals. Dana will coordinate team resources within marketing and draw on internal and external partners to deliver on all aspects of the communication process. She works closely with relationship managers, plan sponsor representatives, and other team members to support the City's commitment to driving better retirement outcomes.
Location	Fort Wayne,	Fort Wayne,	East Lansing,	Fort Wayne,

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	Indiana	Indiana	Michigan	Indiana
Education	Bachelor's degree from Indiana University	Bachelor's degree from Colorado State University	Bachelor's degree from Central Michigan University	Bachelor's degree from Purdue University
Professional Credentials	<ul style="list-style-type: none"> • FINRA Series 6, 7, 24, 26, and 63 registered • State insurance licenses 	<ul style="list-style-type: none"> • FINRA Series 6 registered • State life and health insurance licenses • ASPPA Retirement Plan Fundamentals certified 	<ul style="list-style-type: none"> • FINRA Series 6 and 63 registered • Chartered Retirement Planning counselor • Chartered Retirement Plans Specialist 	Certified Behavioral Finance Analyst designation
Tenure with the company	27 years	9 years	21 years	15 years
Years of retirement plan experience	38 years	12 years	21 years	16 years
Years of Government retirement plan experience	27 years	2 years	14 years	14 years
Number of clients	14	17	10	13
Number of Government clients	5	2	Kirsten does not currently have any governmental clients, however she previously serviced a governmental client for 14 years.	1
Compensation Structure	Salaried employee eligible for a bonus aligned to meeting the goals and objectives of each plan sponsor she serves.	Salaried employee eligible for a bonus aligned to meeting the goals and objectives of each plan sponsor she serves.	Salaried employee eligible for a bonus aligned to meeting the goals and objectives of each plan sponsor she serves.	Salaried employee eligible for a bonus aligned to meeting the goals and objectives of each plan sponsor she serves.

Transition Manager (if not applicable please respond with "N/A")	
Name & Title	David Handel - Senior Implementation Partner
Description of role and responsibilities	David will manage the implementation of the plans to the new platform. He will coordinate with both internal and external partners to ensure the implementation follows a detailed timeline and project plan. David and other team members will conduct a review of the plan, prepare enrollment materials and forms, and provide detailed instructions on next steps to allow a seamless conversion experience. David will also coordinate the payroll remittance process and plan sponsor website demo.
Location	Fort Wayne, Indiana
Education	<ul style="list-style-type: none"> • Bachelor's degree from Florida Atlantic University • Master's degree from Indiana University

Professional Credentials	FINRA Series 6
Tenure with the company	14 years
Years of retirement plan experience	14 years
Number of transitions completed	Approximately 100
Number of 401(a) & 457 transitions completed	457 plan transitions: 25 401(a) plan transitions: 20
Compensation Structure	Salaried employee eligible for a bonus aligned to meeting the goals and objectives of each plan sponsor he serves.

Please refer to the link below for the biographies for all service team members included as Attachment 1.

[City of Ann Arbor, MI](#)

Participant Education & Communication Questions⁸

4. Briefly describe your philosophy to participant education. Limit the response to 200 words.

Face-to-face attention

We provide on-site or virtual one-on-one education. Our retirement consultants are dedicated exclusively to retirement planning and education. They average 15 years of industry experience, with at least one industry credential. This drives contribution rates that are twice the industry average.

Omnichannel delivery

Lincoln delivers education materials through our omnichannel approach. Individuals learn best when they can use resources that align with their preferences including:

- One-on-one meeting and group meetings with a retirement consultant
- Virtual retirement consultants
- Comprehensive online/mobile tools
- Extensive goal-focused materials
- Social media interactions
- Knowledgeable customer service representatives (CSRs)

We also leverage the City’s internal communication channels.

Communications are tailored to a range of attitudes, behaviors, knowledge, and levels of engagement, depending on the needs of the City’s participants.

Tailored communications

Lincoln’s communication and education program covers all areas of retirement planning to help participants get through – not just to – retirement.

The City will receive a comprehensive program focused on improving employees’ retirement readiness and meeting the City’s goals. The program provides outcome-focused communication that can be targeted by age, retirement planning stage, or plan sponsor goal.

5. Which of the following resources does your firm rely on to educate participants on their retirement plan?

Resource	Yes/No	Additional Fee? (Yes/No)
<i>Personnel</i>		
Group Participant Education	Yes	No*
Individual Participant Education	Yes	No*
Virtual (Webinar) Participant Education	Yes	No*
Phone-Based Participant Education	Yes	No
<i>Online</i>		
Prerecorded Videos	Yes	No
Prerecorded Audio	Yes	No

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Targeted/Personalized Email	Yes	No
Social Media	Yes	No
Financial Wellness Articles	Yes	No
Questionnaires	Yes	No
Investment Advice Tool	Yes	No
Managed Accounts	Yes	Yes**
Retirement Calculators	Yes	No
Budgeting Tools	Yes	No
Print		
Postcards	Yes	No
Direct Mail Flyers	Yes	No
Newsletters	Yes	No
Education Booklets	Yes	No
Enrollment Booklets	Yes	No
Phone		
In-Bound Call Centers	Yes	No
Out-Bound Call Centers	Yes	No
Text Messaging	No	Not applicable

*We have included 24 days of annual, retirement consultant services in our price quote. The City can allocate these days as needed between initial employee meetings, ongoing education meetings, and one-on-one participant meetings.

**Participants who elect this service are charged 0.45% of their retirement plan account balance and the fee is automatically deducted from their account.

6. Briefly describe any other method used to educate participants that is not disclosed in the above chart. Do not describe any methods listed as “Yes” above. Limit each method to 100 words.

Lincoln offers several programs in Spanish to help educate and serve our Spanish-speaking participants. We continue to develop Spanish-language material and culturally relevant English-language material for the Latino-American audience.

Available multilingual services include:

- Spanish-language communication and education material in our core programs
- Increase participation and contribution programs
- Participant guide
- Understanding your plan series of brochures for 401(k), 403(b), 457(b), Roth features, and loans
- Spanish-speaking customer service team
- Spanish IVR
- On-site and virtual Spanish-speaking retirement consultants
- LanguageLine, a service that provides translation services for more than 200 languages
- Spanish microsite accessible by clicking on the link “Recursos en español” at www.LFG.com/retirement

7. Please complete the following chart with your educational topic capabilities:

	In-person	Call Center	Website
Basic budgeting	Yes	No	Yes
Saving (e.g., major purchases, college)	Yes	No	Yes
Managing debt (e.g., credit cards, student loans)	Yes	No	Yes

Estate planning	Yes	No	Yes
Home buying	No	No	No
Insurance	Yes	No	Yes
Social Security	Yes	No	Yes
Student loans	Yes	No	Yes

8. Complete the following chart with your online tool capabilities:

	Yes/No
Retirement income projections with gap analysis and suggested actions.	Yes
Projection of monthly retirement income in dollar amounts	Yes
Budgeting tools	Yes
Retirement healthcare cost tools	Yes
Ability to include Social Security in estimates/projections	Yes
Ability to exclude Social Security in estimates/projections	Yes
Ability to manually add external account information (e.g., defined benefit plan, savings accounts, credit cards)	Yes
Ability to automatically pull in external account information (e.g., defined benefit plan, savings accounts, credit cards)	Yes
Spend down projections using different market risk	Yes
Other (provide details)	Yes

9. Identify the services currently available to participants via the website, mobile devices, and call center. (Yes/No).

	Website	Mobile	Call Center
Plan specific information	Yes	No*(available on mobile-optimized site)	Yes
Enrollment	Yes	Yes	Yes
Enrollment or change in managed account option	Yes (through Morningstar)	No*(available on mobile-optimized site)	No
Investment fund information & performance	Yes	No*(available on mobile-optimized site)	Yes
Account balances	Yes	Yes	Yes
Current participant information	Yes	Yes	Yes
Reallocation of existing account balances	Yes	No*(available on mobile-optimized site)	Yes
Withdrawals/disbursements	Yes	No*(available on mobile-optimized site)	Yes
Termination Distributions	Yes	No*(available on mobile-optimized site)	Yes
Password Change	Yes	No*(available on mobile-optimized site)	Yes
Beneficiary designation	Yes	No*(available on mobile-optimized site)	Yes
Statement requests	Yes	No*(available on mobile-optimized site)	Yes
Prospectus orders	Yes	No*(available on mobile-optimized site)	Yes
Confirmation letter of any change	Yes	Yes	Yes
Asset allocation modeling	Yes	No*(available on mobile-optimized site)	Yes

Account balance projections	Yes	Yes	Yes
Investment advice	Yes	No*(available on mobile-optimized site)	Yes
Personalized rate of return	Yes	Yes	Yes
Retirement Planning Calculators	Yes	Yes	No
Retirement Goal Projections	Yes	Yes	No
Other (specify): Deferral change	Yes	Yes	Yes

*Participants who wish to conduct transactions on a mobile device can be redirected to our website, which is fully mobile-optimized.

Interactive voice response system

Participants have access to account information and transaction services through the interactive voice response system (IVR) 24/7. The IVR is available in English and Spanish. Below is a list of functionalities:

Account information inquiry

- Portfolio balance, price/yield, personalized performance information
- Loan modeling, loan information
- Transaction history
- Contribution percent or dollar amount

Maintenance

- Change PIN

Transactions

- Change the allocation of future contributions
- Reallocate the account balance
- Automatic rebalancing for plan portfolios
- Check pending transactions

Other services

- Natural language speech recognition
- Voice verification
- Call transfer to CSR

10. Are the same services as described above available to retirees? (Yes/No)

Yes.

11. How do you measure the success of your communications and educations? Limit the response to 200 words.

We measure the success and effectiveness of communication and education efforts in the following ways:

- **Campaign success:** Participant data is measured before and after a campaign to determine success in meeting a specific goal.

- **Engagement:** On-site and virtual seminar and one-on-one meeting attendance is tracked, along with resulting employee action. Follow-up seminar surveys capture candid testimonial information from group meeting attendees, as well as suggestions that can be implemented in the future to make meetings more impactful.
- **Web registration and usage:** We measure how many employees register for web account access. We also determine online account activity and the most popular online tools.
- **Surveys:** The effectiveness of education initiatives is measured through custom, client-specific benefit surveys (if available).
- **Plan review:** A plan review, conducted annually, is our comprehensive measurement tool. The review provides demographics and metrics that measure the appropriateness of the plan and the status of participants. It compares earlier results with current results and contains relevant benchmarking information.

We also look at industry studies and benchmarks to determine how the results from the plan review compare. We will share our analysis with the City to ensure the communication and education strategy is on track.

12. Does your firm provide participant-specific investment advice? (Yes/No) If yes, briefly describe how the participant receives the advice. Limit the response to 200 words.

Yes. We make available Morningstar Investment Management, and independent third party, to provide the Morningstar **Managed by You** investment advice service. Participants gain access to Morningstar Investment Management resources and advice and have the option to accept Morningstar Investment Management's recommendations. Participants are responsible for visiting the Morningstar Investment Management site periodically (at least every six months is recommended) to ensure account recommendations are up-to-date. The service is provided through an interactive, web-based program that evaluates a participant's retirement situation and gives specific advice on plan investments. The underlying methodology was developed and is provided by Morningstar Investment Management. All participant data available on the Lincoln recordkeeping system is automatically populated into the program.

Morningstar Investment Management is a federally registered investment advisor and a subsidiary of Morningstar Inc. Morningstar Investment Management assumes fiduciary responsibility for the advice it provides.

The benefits of **Managed by You** include:

- Portfolio strategy scenarios
- Fund specific recommendations
- Research and education

There is no fee to the participant or plan sponsor for this service.

13. Is advice delivered to participants in-person, on the phone or online?

We make available Morningstar Investment Management, and independent third party, to provide the Morningstar Managed by You investment advice service. The service is provided through an interactive, web-based program that evaluates a participant's retirement situation and gives specific advice on plan

investments. In addition, in-person education is available from the assigned retirement consultant, Kirsten Burchill.

14. **Does the client need to make your proprietary Managed Account solution available to receive participant-specific advice? (Yes/No)**

Yes.

15. **Does your firm, or the participant-specific advice provider, assume fiduciary responsibility for the advice given? (Yes/No)**

Yes. Morningstar Investment Management assumes fiduciary responsibility for the advice it provides.

16. **What licenses do the individuals providing advice hold? (e.g. Series 7, 65, 66, CFP, etc.)**

Our retirement consultants are required to hold FINRA Series 6 (or passing the Securities Industry Essentials exam), FINRA Series 63, and applicable state insurance licenses. They must also earn at least one industry designation.

17. **Please breakout the percent of the Participant Educator’s compensation in the chart below:**

Salary	60%
Client Satisfaction	10%
Improvement in Plan Participant Rates	13%
Improvement in Plan Assets	10%
Number of Participant Meetings Held	7%
Managed Account Utilization	0%
Investment Product(s) Utilization	0%
Other (Please specify)	0%

18. **Does the Participant Educator integrate the following into their education?**

	Yes/No
Outside Retirement Accounts	Yes
Outside Non-Retirement Investment Accounts	Yes
Social Security	Yes
Spousal Assets	Yes

19. **Based on the City of Ann Arbor demographic information and your education experience, please complete the below table:**

Number of onsite education service hours per year included in your price	192
Number of onsite education service days per year included in your price	24

20. Please fill in the chart regarding your customization capabilities. If an additional fee is required, please include here.

	Client Name? (Yes/No/ Additional Fee)	Client Logo? (Yes/No/ Additional Fee)	Client-Requested Imagery? (Yes/No/ Additional Fee)	Custom Messages? (Yes/No/ Additional Fee)
Participant Website	Yes (No additional fee)	Yes (No additional fee)	Yes (An additional fee may apply)	Yes (No additional fee)
Mobile App	Yes (No additional fee)	Yes (No additional fee)	Yes (An additional fee may apply)	Yes (No additional fee)
Participant Forms	No	No	No	No
Education Booklets	Yes (No additional fee)	Yes (No additional fee)	Yes (An additional fee may apply)	Yes (No additional fee)
Enrollment Booklets	Yes (No additional fee)	Yes (No additional fee)	Yes (An additional fee may apply)	Yes (No additional fee)
Flyers	Yes (No additional fee)	Yes (No additional fee)	Yes (An additional fee may apply)	Yes (No additional fee)
Emails	Yes (No additional fee)	Yes (No additional fee)	Yes (An additional fee may apply)	Yes (No additional fee)
Posters	Yes (No additional fee)	Yes (No additional fee)	Yes (An additional fee may apply)	Yes (No additional fee)
Other (Please List)	*	*	*	*

*Because we are strongly committed to enabling better retirement outcomes, we are happy to discuss additional communication tailoring options and any associated costs. For example, we accommodate the use of plan name, logo, and brand. We can also discuss enhanced educational material and touchpoints, custom marketing campaigns, more robust plan measurements, and other tailored approaches. An additional fee may apply.

	(Yes/No/Additional Fee)
Custom URL	Yes
Custom Phone Number	No

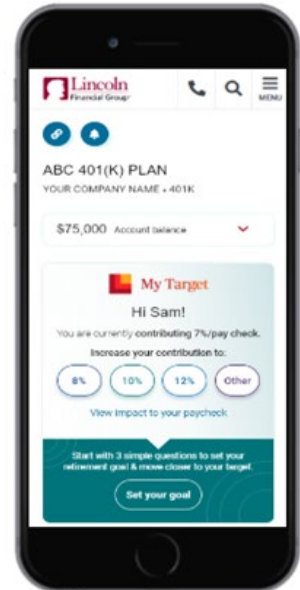
21. Is your participant website mobile responsive (i.e., designed for smart phones and tablet devices)? (Yes/No)

Lincoln's mobile responsive website is accessible through the mobile browser of a phone or tablet. It grants full access to a participant's account. This allows them to easily access their account and perform transactions, regardless of what type of device they are using.

Lincoln also offers a dedicated mobile app available for download from the Google Play and Apple App stores. Participants login to the mobile app with their Lincoln website user ID and password or facial/fingerprint recognition. The mobile app provides participants with the following:

- Online enrollment
- Account balance (total and vested)
- Personal rate of return
- Recent transactions
- Contribution information
- *Click2Contribute*SM enables participants to change their contribution in just two clicks
- Contributions tab for participants to adjust their contributions and learn more about saving
- Investment portfolio overview
- Planning tab to use *My Target*SM Calculator
- Learning center
- Downloadable forms

Participants can also access their Lincoln retirement account from their Apple Watch.



22. Complete the chart below regarding your Participant Statements

		Yes/No
Account Information		
Account Balance by Money Source		Yes
Vested Balance		Yes
Estimated Defined Benefit		Yes
Total Assets		Yes
Beneficiary Name & Address		Yes*
Total Portfolio Information		
Portfolio Allocation by Percentage		Yes
Portfolio Allocation by Dollar		Yes
Monthly Portfolio Performance		Yes
Quarterly Portfolio Performance		Yes
1-Year Portfolio Performance		Yes
3-Year Portfolio Performance		Yes
5-Year Portfolio Performance		Yes
7-Year Portfolio Performance		Yes
10-Year Portfolio Performance		Yes
Since Inception Portfolio Performance		No
Does Performance Consider Cash Flows		Yes
Recordkeeping Fee Expressed as Percent		No
Recordkeeping Fee Expressed as Dollar		Yes
Individual Fund Information		
Monthly Fund Performance		Yes
Quarterly Fund Performance		Yes
1-Year Fund Performance		Yes
3-Year Fund Performance		Yes
5-Year Fund Performance		Yes
7-Year Fund Performance		Yes
10-Year Fund Performance		Yes
Since Inception Fund Performance		Yes
Fund Expenses Expressed as Percent		Yes
Fund Expenses Expressed as Dollar		Yes
Contributions for Period		Yes
Investment Earnings for Period		Yes
Dividends for Period		Yes
Retirement Projections		
Projected Account Value at Retirement		Yes
Projected Monthly Income at Retirement		Yes
Customization		
Client Name? (Yes/No/ Additional Fee)		Yes (No additional fee)
Client Logo? (Yes/No/Additional Fee)		Yes (No additional fee)
Custom Message? (Yes/No/Additional Fee)		Yes (No additional fee)
		Number of Business Days

How many days after quarter end are statements mailed?	10 business days
How many days after quarter end are statements available online?	Four business days after the first business day of the new quarter
How long are statements available?	Participant statements are stored online for two years are then archived. Archived statements can be retrieved for the next five years (or seven years total).

*Beneficiary information is displayed on the participant statement. However, the beneficiary's address is not included.

23. Please complete the following chart with your enrollment capabilities:

	Yes/No	Plan Sponsor Assistance Needed (Yes/No)
Online	Yes	No
Mobile	Yes	No
Paper	No	No
Phone	Yes	No
In-Person	Yes	No

24. Do you provide comprehensive financial planning through a CERTIFIED FINANCIAL PLANNER™? (Yes/No) If yes, please complete the following chart with their capabilities and provide a sample Financial Plan as an appendix to your proposal.

Yes. Participants with additional financial planning needs who are looking for assistance can access Lincoln's Life Events Coach (LEC) program, which is available in partnership with Lincoln Financial Advisors (LFA). The goal of the LEC program is to support and improve employee's financial wellness and confidence by helping them plan and prepare for life events.

LFA financial professionals will facilitate group and individual consultations with participants to help them plan and address major life moments – including getting married, starting a family, caring for elderly parents, dealing with a death, or planning for retirement income distributions.

In addition, LFA professionals can partner with the City to provide executive planning for executive level management and highly compensated employees.

	Yes/No
Investment Planning	Yes
Insurance Planning	Yes
Retirement Planning	Yes
Estate Planning	Yes
Education Planning	Yes
Other (Please list)	Yes

Please refer to the link below for a sample financial plan included as Attachment 2.

[City of Ann Arbor, MI](#)

- 25. If you provide comprehensive financial planning through a CERTIFIED FINANCIAL PLANNER™, how often will they be available to meet with participants each year?**

Typically, at the initial meeting, the frequency is determined by the participant and the local representative(s) from LFA.

- 26. If you provide comprehensive financial planning through a CERTIFIED FINANCIAL PLANNER™, please describe all costs to the plan sponsor and/or participants for their services.**

Cost of these services depends on the needs of the individual client and the complexity of the topics addressed.

- 27. Please provide login credentials for the participant website demo.**

Website: www.LFG.com

User ID: DEMOPPT0831144

Password: Participant#1

Please note this password will expire on 7/28/2023.

Please refer to the link below for our demo guide as Attachment 3.

[City of Ann Arbor, MI](#)

Financial wellness experience

Below is a short video about our online program *WellnessPATH*®.

<https://www.lfg.com/static/wcs/digitalbrochure/rps/financialwellness/solutions.html>

Administrative & Plan Sponsor Services Questions⁹

28. State your familiarity with UKG Pro (formerly UltiPro). How many of your clients use this payroll?

We have seven clients utilizing UKG Pro. Several of these plans use the Secure File Transfer Protocol (SFTP) process for their payroll files.

29. Can your systems provide 360 communication with the above payroll system regarding eligibility, enrollment, and election data feeds? (Yes/No)

Yes. Lincoln offers 360-payroll interfacing to provide a streamlined payroll experience. We will provide a standard file layout that any payroll provider can use to share files with Lincoln through SFTP for both inbound payroll and outbound changes. The outbound change file, which includes deferrals, new loans, and paid off loans, can be scheduled to run at a designated time determined by the City based upon their payroll frequency. We can then send the standard file format file to the server of the City or their payroll vendor for pick up.

30. Please complete the following chart with your administrative reporting capabilities (limit each description to 50 words):

Report Name	Brief Description	Frequency	Online/Paper/Both
Annual plan review	The review includes detailed reports, analysis regarding fund performance, plan participation, deferral rates, asset allocation, and other participant activity.	Annually	Delivered in-person by relationship manager Peggy Mungovan
Scheduled reports	<ul style="list-style-type: none"> • Required minimum distribution age • Participant balances • Asset allocation of balance • Participation • Average account balance by age • Pay and contribution • Beneficiary • Payroll change notification • Contribution rates • Plan forfeiture • Excess deferral 	Weekly, bi-weekly, semi-monthly, monthly, quarterly, annually as decided by the City	Both

⁹ The information provided in response to the inquires in this section of this Request for Proposal constitutes trade secrets and commercial information considered to be confidential in nature to be used solely for evaluation purposes and which will not be disclosed to third parties without Lincoln Financial Group's prior written consent.

	<ul style="list-style-type: none"> • Rollover contribution register • Investment elections • Separation detail • Installment payments • Transactions • Custom portfolio asset allocation • Vesting status • Net transfer by activity 		
Investment option reports	Along with the fund performance information in the annual plan review, the City has access to each fund's prospectus, current performance information, and other fund data such as fees, investment objectives, and top holdings on the plan sponsor website.	On-demand	Both
Ad hoc reports	The City can create customized plan- and participant-level reports from the plan sponsor website for any date range. Based on options selected in the query fields, the reports can range from simple to sophisticated.	On-demand	Both

31. Can you take over the administration, qualification, approval and disbursement for the following services without any assistance from the plan sponsor?

	Yes/No
Domestic Relations Orders Review	Yes
Domestic Relations Orders Approval	Yes
Hardship Withdrawals	Yes
General and Principal Residence Loans	Yes
Distributions	Yes

Required Minimum Distributions	Yes
Beneficiary Change	Yes

32. Please provide login credentials for the plan sponsor website demo.

Website: www.LFG.com

User ID: SPONSOR8101

Password: Sponsor#1

Please note this password will expire on 7/28/2023.

Please refer to the link below for our demo guide as Attachment 3.

[City of Ann Arbor, MI](#)

Cyber Security Questions¹⁰

- 33. Are participants verified when they call into the call center? (Yes/No) If yes, briefly describe your firm's approach to verifying each caller. Limit the response to 300 words.**

Yes. The caller must provide three of the following to validate themselves:

- Name
- SSN
- Complete address
- Date of birth

If a red flag is raised during the validation process, the CSR will ask additional questions. These additional validation points can include, but are not limited to:

- Contribution rate
- When a loan was initiated
- When the account was opened

Lincoln also uses anti-fraud voiceprint software to protect participant accounts. The software listens to the call and analyzes 147 call characteristics such as voice, speech, device, background noise, phone number, geographic location, and caller history. If a call is suspicious, a case is created and reviewed by a fraud analyst the same day. This review allows Lincoln to take appropriate action to protect participants, including preventing unauthorized distribution of funds.

The software includes a pop-up feature notifying CSRs of potential fraud while on the phone with the caller. This adds another layer of protection to safeguard our participants and their retirement savings.

- 34. Are participants required to use multi-factor authentication for online access to the participant website? (Yes/No) Please describe the authentication methodology required.**

Yes. Multifactor authentication is mandatory at login for all Lincoln web users and at login to the network for both Lincoln employees and all contractors.

After entering their username and password, participants will have to enter an authorization code received by text, phone call, or authenticator app.

- 35. Are Plan Sponsors required to use multi-factor authentication for online access to the Plan Sponsor website? (Yes/No) Please describe the authentication methodology required (if different than requirements for participants).**

Yes.

- 36. Briefly describe your data security process. Limit the response to 300 words.**

Lincoln considers the City's confidentiality and security among our highest priorities. Our recordkeeping system provides unmatched security.

To protect the data in our systems, we employ a multi-layered security system:

Physical security

Our recordkeeping system facility prevents unauthorized entry with two sets of hydraulic steel bollards, multi-layered fencing supported by a three-layer boulder garden around the facility's perimeter, and more than 100 cameras monitoring the fence and facility. Data Center security personnel and an armed police officer are on-site 24/7 and must use a key card to enter.

Access authorization

An online operator facility controls authorization to perform activities within the recordkeeping system. User security features can restrict both individual access to plans and participants and access to specific processing functions and sub-functions.

We secure access to the IVR and website, which are integrated within the recordkeeping system, by using a strict access and authorization protocol based on SSNs, PINs, and passwords. The information is stored on an encrypted table within the recordkeeping system.

Security breach protection

We use a series of advanced controls to safeguard our systems from malicious and unauthorized activity. The prevention measures include layered firewalls, multi-zoned demilitarized zone deployments, multiple inline network intrusion prevention systems, layer 7 application firewalls, advanced malware and APT detection, correlation engines and event monitoring, and advanced forensic collection infrastructure.

37. How many system security breaches has your organization experienced in the last five years?

Lincoln does not publicly release information regarding privacy incidents. As reported in our 2022 Annual Report, to date, Lincoln has not experienced a material security breach.

Lincoln maintains a robust privacy incident response program and has adopted policies and procedures to comply with all state and federal breach notification requirements. Lincoln's Corporate Privacy Office investigates all potential privacy incidents to ensure they are appropriately reviewed and resolved in a manner that complies with all regulatory requirements.

We routinely assess our employee training, policies, and procedures, enhancing them as appropriate to prevent security breaches from occurring.

38. Provide a copy of your most recent SOC I or SOC II report as a separate attachment.

Lincoln's recordkeeping system is leased from SS&C, an independent third party. They issued a SOC 2 report in November 2022.

Currently, the recordkeeping system, including internet security, is audited by Ernst & Young, an independent accounting firm. An annual SOC 1 report is created based on the results of the audits.

Lincoln's cybersecurity program and practices are rigorously examined by both internal and external auditors each year. The results of these audits and assessments are promptly reviewed and action is taken on any findings as appropriate.

¹⁰ The information provided in response to the inquires in this section of this Request for Proposal constitutes trade secrets and commercial information considered to be confidential in nature to be used solely for evaluation purposes and which will not be disclosed to third parties without Lincoln Financial Group's prior written consent.

Please refer to the link below for a copy of the most recent SOC I and SOC 2 reports included as Attachment 4.

[City of Ann Arbor, MI](#)

- 39. Do you have a regular independent audit of your cyber security process? (Yes/No). If yes, provide the name of the Auditor, the name of the audit package and if your system passed or failed.**

Yes. Lincoln's cybersecurity program and practices are rigorously examined by both internal and external auditors each year. The results of these audits and assessments are promptly reviewed and appropriate action is taken on any findings. In addition, Lincoln has regular penetration testing performed. The most recent tests were performed in the first quarter of 2022.

To help preserve the confidentiality, integrity, and availability of customer data and systems, Lincoln does not disclose the details of certain audit evidence for certain key internal controls.

Investment Services Questions¹¹

- 40. Can you support an open architecture fund lineup? (Yes/No). If not, please provide your reasoning.**

Yes. Lincoln has an open architecture investment platform that makes available nearly 12,000 mutual funds from 600-plus external fund families along with our Lincoln Stable Value Account.

- 41. Describe any mutual fund families, fixed account options, or other investments that you cannot or will not recordkeep.**

Relationship manager Peggy Mungovan and our team of investment professionals will work with the City and Innovest to understand all investment needs and objectives. Lincoln will provide an overview of available investment options on our platform that carry the potential to help the City and their participants achieve their goals.

If the platform has no viable substitutes (similar investment objectives, performance, and expense structure) for the desired fund, we are willing to establish agreements with additional investment firms.

- 42. How many days will it take to add or remove a fund from the lineup? Provide a brief timeline of the process.**

Changing investment options takes approximately eight to ten weeks from the time we receive direction from the City's authorized representative. During this time, we also send the required notice to participants. The notice must be sent at least 30 days before the effective date of the change. We do not charge any fees for fund changes.

- 43. How many days will it take to add a new fund to your platform?**

Relationship manager Peggy Mungovan and our team of investment professionals will work with the City and their consultant to understand all investment needs and objectives. Lincoln will provide an overview of available investment options on our platform that carry the potential to help the City and their participants achieve their goals.

If the platform has no viable substitutes (similar investment objectives, performance, and expense structure) for the desired fund, we are willing to establish agreements with additional investment firms.

We may require a minimum asset under management figure for a new fund manager to be added to the platform.

The time required to add a fund will depend on the timing of the completion of agreements between the fund company and Lincoln. The typical timeframes are:

Adding a new fund/fund family when there is no agreement in place

This process takes approximately three to five months and entails a due diligence review of the fund company. Once approval is received to proceed with the addition, Lincoln works with the fund

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company to coordinate execution of a service agreement, selling agreement, and trading agreement.

Adding a new fund via existing agreement

This process can range from taking immediate effect to one to two months, depending on whether agreements must be amended to include the new fund.

44. Complete the following charts regarding your proposed proprietary Capital Preservation Product as of 12/31/22. In addition, please provide a Fact Sheet as a separate attachment.

Capital Preservation Product Name:	Lincoln Stable Value Account
Description (General Account, Stable Value, Other):	General Account

Investment Contract Issuer (Add Rows as Necessary)	% of Wrapped Assets	AM Best	Moody's	S&P
The Lincoln National Life Insurance Company	N/A*	A+	A1	AA-

*There are no wrap contracts. Lincoln is the sole guarantee provider. Lincoln Stable Value options are annuity contracts backed by the general account of Lincoln National Corporation.

Effective Duration	Asset Base	Manager Tenure
7.4 years	\$120.87 B	40 years

Gross Crediting Rate	Expense Ratio	Minimum Guaranteed Crediting Rate	Crediting Rate Formula
2.10%	0.10%	1.00%	The Lincoln Stable Value Account's method of crediting interest rates is a guaranteed declared rate. Lincoln will periodically set the credited rate in the contract subject to the contract's minimum floor rate. The new interest rate is announced in advance and guaranteed for six months.

*This reflects our standard rate product, however we are providing an enhanced rate as outlined in our pricing summary.

Portfolio Quality	% of Portfolio
AAA	9.4%
AA	13.9%
A	33.1%
BBB	39.9%

BB	1.8%
B	1.5%
CCC	0.2%
Not Rated	0.00%

Portfolio Asset Allocation (Add Rows as Necessary)	% of Portfolio
Cash	-2.4%
Collateral	2.7%
Public Industrials	31.5%
Public Utilities	6.0%
Public Financials	11.4%
Private Bonds	16.0%
Municipal	3.9%
CML	12.8%
Agency RMBS	1.1%
Non-Agency RMBS	0.4%
Agency CMBS	0.0%
Non-Agency CMBS	1.5%
CLO	6.9%
Other ABS	2.6%
Other Structured	0.0%
RESI	1.1%
Other	4.5%

Quarter End	Gross Unannualized Quarterly Performance	Market-to-Book (if applicable)
1Q19	0.55%	Not applicable*
2Q19	0.55%	Not applicable*
3Q19	0.55%	Not applicable*
4Q19	0.55%	Not applicable*
1Q20	0.52%	Not applicable*
2Q20	0.52%	Not applicable*
3Q20	0.46%	Not applicable*
4Q20	0.46%	Not applicable*

1Q21	0.40%	Not applicable*
2Q21	0.40%	Not applicable*
3Q21	0.40%	Not applicable*
4Q21	0.40%	Not applicable*
1Q22	0.40%	Not applicable*
2Q22	0.40%	Not applicable*
3Q22	0.46%	Not applicable*
4Q22	0.46%	Not applicable*

*The Lincoln Stable Value Account is an insurance company group annuity contract with records kept at book value (100% of principal and interest). A market-to-book ratio is not applicable to guaranteed insurance accounts. All participants receive book value regardless of market conditions. The plan receives a direct guarantee of principal and accrued interest from Lincoln. The guarantees with the Lincoln Stable Value Account are backed by the full faith and claims-paying abilities of The Lincoln National Life Insurance Company.

Subadvisor (if applicable, add rows as necessary)	Percentage of Portfolio
Participant Termination Restrictions:	<p>There are no restrictions on participants' withdrawals from the Lincoln Stable Value Account for the following reasons:</p> <ul style="list-style-type: none"> • Death • Disability • Hardship • Payment pursuant to a qualified domestic relations order • Purchase of an annuity under the contract • Retirement or termination of employment (excluding termination of employment due to plan termination) • Any program instituted by the plan sponsor that reduces workforce by less than 20% <p>If there is a competing fund in the line-up, there are certain limits on transfers from the Lincoln Stable Value Account. Transfers must be made into noncompeting funds and remain there for 90 days before transferring assets into a competing fund. This special rule is an equity wash provision and is required to keep an acceptable yield and liquidity in the Lincoln Stable Value Account.</p>
Plan Sponsor Termination Restrictions:	<p>If the City chooses to terminate the program, they can process withdrawals from the Lincoln Stable Value Account in one of the following ways:</p> <ul style="list-style-type: none"> • Full contract value in six installments over a five-year period.

	<ul style="list-style-type: none"> • Full contract value less a contract termination disintermediation charge paid at contract termination. • A 12 month put is also available. <p>The Lincoln Stable Value Account is also fully portable to other major recordkeeping platforms.</p>
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Please refer to the link below for a fact sheet as Attachment 5.

[City of Ann Arbor, MI](#)

45. Do you offer a Guaranteed Minimum Withdrawal Benefit product? (Yes/No). If yes, provide a fund fact that includes pricing.

Yes. *Income America*™ offers nonproprietary, multi-manager and multi-insured Collective Investment Trusts to address sustainable retirement income needs. The solution is portable among recordkeepers, removes product bias, and provides a fiduciary-based solution under ERISA 3(38). It provides guaranteed income combined with a target date structure. A participant can choose to receive a lifetime income guarantee of 5% of the guaranteed income base per year, beginning at age 65.

Please refer to the link below for a fact sheet as Attachment 6.

[City of Ann Arbor, MI](#)

46. If you offer a Guaranteed Minimum Withdrawal Benefit product, is it portable to other recordkeepers? (Yes/No)

Yes.

47. Do you offer online advice? If so, is it coupled with managed accounts?

Yes. Lincoln makes available Morningstar Investment Management, an independent third party, to provide **Managed by Morningstar** online managed account services. Morningstar Investment Management is a federally registered investment advisor and a subsidiary of Morningstar Inc.

Managed by Morningstar offers participants all of the benefits of professional investment management for their retirement account, including:

- Portfolios tailored to participants' personal circumstances using plan investment options
- Expert investment selection and ongoing professional oversight
- Regular investment updates
- Detailed reports

Participants who elect this service are charged 0.45% of their retirement plan account balance and the fee is deducted from their account. Morningstar Investment Management accepts fiduciary responsibility for the investment management it provides.

a. Can the online advice be offered separately?

Yes. Online advice can be selected separately by the plan sponsor.

48. Self-Directed Brokerage and Managed Accounts

Self-Directed Brokerage Accounts	
Brokerage Firm Name	TD Ameritrade
Fully integrated with your website and call center? (Yes/No)	Yes
Can participants permit outside advisors to access their brokerage account? (Yes/No)	Yes
Can outside advisors' fees can be paid from the account? (Yes/No)	Yes
Require minimum amount of assets to be retained in core account before participants can invest in SDBA? (Yes/No)	Yes
Can Participants defer directly into SDBA? (Yes/No)	Yes
Can plan sponsor impose customized limits on SDBA initial and ongoing transfers/contributions? (Yes/No)	Yes*
Can SDBA availability be offered only to existing/established participants (i.e., "grand-fathered" to existing account holders but not offered going forward)? (Yes/No)	No
Managed Accounts	
Provider Utilized (e.g., Morningstar, Ibbotson, etc)	Morningstar Investment Management
Can participants load outside and/or spousal assets into the system to be used in planning/calculations? (Yes/No)	Yes

*Our standard allows for a maximum of 80% of assets to be transferred into the SDBA. Certain restrictions may apply, however, if requested, we will work with the City before implementation to identify a mutually agreeable option.

Transition Services Questions¹²

49. Provide a high-level sample timeline for the transition, starting from when the contract is signed and ending with the lifting of the blackout period (or later if applicable to your transition process). Include major milestones for the payroll/technical aspects, the investment platform, mapping, and asset transfer, as well as key participant communication/education elements of the transition.

Our 3, 2, 1, GO implementation plan provides the resources, administrative support, and expertise to ensure a smooth transition. Our plan for the City includes:

3 DISCOVER Weeks 1-3

- Collect prior plan documents
- Conduct in-depth plan review to ensure regulatory compliance and identify plan design efficiencies
- Develop plan profile to use as baseline for business requirements
- Schedule implementation meeting and conduct calls with prior recordkeeper

2 DESIGN Weeks 4-6

- Finalize adoption agreement if the City selects Lincoln's plan document services
- Complete initial participant communications, including plan highlights

1 DEMONSTRATE Weeks 7-10

- Complete test conversions/payroll testing based on design requirements and plan profile
- Set up/test systems to ensure all are personalized to plan provisions
- Finalize participant communications, including transition letter, PIN letters, and Q&A document

GO Deliver Weeks 11-14

- Complete final implementation tasks allowing plan to go live
- Retirement consultant outlines offerings/investment options during on-site and virtual meetings
- Plan goes live, information available to participants via call center, IVR, participant website

Please see the link below for a sample timeline is included as Attachment 7.

[City of Ann Arbor, MI](#)

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50. Can you accommodate a 12/31/2023 transfer of assets date? (Yes/No) If not, please provide an alternative date and the reason why.

Yes. As a best practice, Lincoln's conversion process is 90 days. The implementation partner, David Handel, will work with the City to develop a conversion plan and timeline that meets their needs.

51. How many days will the plan be in a blackout period?

We employ a short blackout period during conversions to ensure the integrity of data. Lincoln always strives to minimize the blackout. However, the actual timeframe is highly dependent on cooperation from the prior recordkeeper and the fund company, if we are using an in-kind mapping strategy. While the planned blackout is three business days, on average we have been successful in lifting it after one business day.

52. Will you provide a monetary penalty if any transition milestones are missed? (Yes/No). If yes, what amount will you put at risk?

Yes. Service guarantees, including those for implementation timeframes, are individually structured based on benchmarks and financial penalties established for the City. The mutually agreed upon guarantee will become part of the service agreement.

53. Will you offer a dedicated transition manager?

Yes. The assigned implementation partner is David Handel.

Service Level Agreements/Performance Guarantees¹³

Please complete the chart below with your service level agreements, if any. Please provide the dollar amount at risk for failing to meet these standards.

	Service Level Agreement	Dollars at Risk
Participant Services		
Average call center wait time per call	85% within 20 seconds	\$1,000 quarterly if standard is not met. For the guarantee to be applicable, there must be a minimum call volume of 150 calls per quarter.
Number of onsite individual meetings per year	Pricing includes 24 days annually. These can be used as one-on-one days or on-site group meetings. The City's employees will also have unlimited access to virtual one-on-one meetings with a retirement consultant when using our Click2Meet tool to schedule an appointment.	\$1,000 annually if agreed upon rate is not met
Number of onsite group meetings per year	Pricing includes 24 days annually. These can be used as one-on-one days or on-site group meetings.	\$1,000 annually if agreed upon rate is not met
Plan participation rate increases per year	Lincoln is willing to work with the City to develop a mutually satisfactory increases with plan sponsor annually.	\$1,000 annually if agreed upon rate is not met
Deferral rate increases per year	Negotiated with the City based on plan need and opportunity.	\$1,000 annually if agreed upon rate is not met
Participant statement mail date	100% of statements will be made available within 10 business days after quarter-end. Statements are sent electronically unless the participant opts out.	\$1,000 quarterly if standard is not met
Participant statement online posting date	100% of statements will be made available 10 business days after quarter end	\$1,000 quarterly if standard is not met
	Service Level Agreement	Dollars at Risk
Plan Sponsor Services		
Number of days after quarter end for plan report	Not applicable for governmental plans	N/A

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Time to return plan sponsor phone calls	Our standard is 24 hours. Annually, the City will evaluate Lincoln's dedication to their plan and service delivery by responding to the Lincoln survey. The response should be based on the reasonable person standard.	\$1,000 quarterly if standard is not met
Annual plan sponsor training	Lincoln is willing to work with the City to develop mutually satisfactory training. Annually the City evaluate Lincoln's dedication to their plan and service delivery by responding to the Lincoln survey. The response should be based on the reasonable person standard.	\$1,000 annually if standard is not met
Administration		
Contribution reconciliation	Investment transactions are balanced daily between the recordkeeping and trust accounting systems. A reconciliation of the trust accounting system with the recordkeeping system is performed daily and any unreconciled items are resolved immediately and before participant statements are issued.	\$1,000 quarterly if the standard is not met
Contribution posting	99% accuracy	\$1,000 quarterly if standard is not met. For the guarantee to be applicable, there must be a minimum transaction count of 100 per quarter. However, if the same error occurs for two consecutive quarters, Lincoln shall pay the penalty for missing the service obligations for the second quarter in which Lincoln did not meet its service obligations. The cure period will stay intact for over 100 transactions per quarter.
Withdrawals paid	99% accuracy	\$1,000 quarterly if standard is not met. For the guarantee to be applicable, there must be a minimum transaction count of 100 per quarter. However, if

		<p>the same error occurs for two consecutive quarters, Lincoln shall pay the penalty for missing the service obligations for the second quarter in which Lincoln did not meet its service obligations.</p> <p>The cure period will stay intact for over 100 transactions per quarter.</p>
Rollovers and transfers out	99% accuracy	<p>\$1,000 quarterly if standard is not met. For the guarantee to be applicable, there must be a minimum transaction count of 100 per quarter. However, if the same error occurs for two consecutive quarters, Lincoln shall pay the penalty for missing the service obligations for the second quarter in which Lincoln did not meet its service obligations.</p> <p>The cure period will stay intact for over 100 transactions per quarter.</p>
Processing of fund transfers	<p>99% accuracy – same business day, if everything is in good order.</p> <p>For the guarantee to be applicable, there must be a minimum transaction count of 100 per quarter. However, if the same error occurs for two consecutive quarters, Lincoln shall pay the penalty for missing the service obligations for the second quarter in which Lincoln did not meet its service obligations.</p> <p>The cure period will stay intact for over 100 transactions per quarter.</p>	<p>\$1,000 quarterly if the standard is not met</p>

Transition

Number of group meetings	Pricing includes 24 days annually. These can be used as one-on-one days or on-site group meetings.	\$1,000 annually if agreed upon rate is not met
Number of individual meetings	Pricing includes 24 days annually. These can be used as one-on-one days or on-site group meetings.	\$1,000 annually if agreed upon rate is not met
Number of days in blackout	We will guarantee to go live within three business days of receipt of all data in good order.	\$5,000 per implementation if standard is not met

Fees & Expenses Questions

Scenario 1: Please provide your pricing proposal assuming a completely open architecture investment fund lineup.

		Plan Type
Asset-Based	Fee	0.1225% annually on all assets
	Dollar Amount Equivalent	\$128,623 in year one only
Per-Participant	Fee	\$96 per participant annually
	Dollar Amount Equivalent	\$124,512 in year one only
State all other assumptions in your pricing		*

*Specific assumptions for this scenario include:¹⁴

- Plans: One 457(b) and one 401(a)
- Expected assets at implementation: \$105 M
- Annual contributions: \$4.7 M
- Participants with a balance: 1,310
- Eligible employees: 765
- Retirement consultant support: 24 days annually
- There are no commissions or compensation included in the required revenue.
- The plan does not have an automatic enrollment feature. If this feature is adopted for new employees only, there is no change in pricing. If this is implemented for all eligible employees, pricing is subject to review.
- *WellnessPATH*[®], our online financial wellness tool, is included.
- The GMIR is 1.00%.
- The self-directed brokerage account is included in pricing.
- Lincoln is the exclusive provider.
- Price guarantee: Five years

Please refer to the link below for the complete pricing summary included as Attachment 8.

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¹⁴ This proposal is guaranteed for 120 days as of 4/28/2023 after which time Lincoln reserves the right to reconsider its initial proposal. Our response to this pricing request has been prepared based on information presented in the RFP and any variation, plus or minus 10%, from the assumptions will result in re-pricing our quote.

Scenario 2: Please provide your pricing proposal assuming the use of a proprietary stable value product.

The Lincoln Stable Value Separate Account will be included in the final fund line-up. A 12-month put does not apply.

		Plan Type
Asset-Based	Fee	0.0325% annually on all assets
	Dollar Amount Equivalent	\$34,125 in year one only
Per-Participant	Fee	\$22 per participant annually
	Dollar Amount Equivalent	\$28,534 in year one only
State all other assumptions in your pricing		*

*Specific assumptions for this scenario include:

- If the City chooses to terminate the program, they can process withdrawals from the Lincoln Stable Value Account in one of the following ways:
 - Full contract value in six installments over a five-year period.
 - Full contract value less a potential market value adjustment paid at contract termination that will never be less than principal plus interest accrued at the GMIR.
- Lincoln Stable Value Account crediting rate is no less than 3.05% until December 31, 2025.

The Lincoln Stable Value Separate Account will be included in the final fund line-up. A 12-month put applies.

		Plan Type
Asset-Based	Fee	0.0325% annually on all assets
	Dollar Amount Equivalent	\$34,125 in year one only
Per-Participant	Fee	\$22 per participant annually
	Dollar Amount Equivalent	\$28,534 in year one only
State all other assumptions in your pricing		*

*Specific assumptions for this scenario include:

- A 12-month put option provides for a single payment of the full contract value following notice of termination of the stable value contract. The payment is made 12 months following our receipt of the termination notice.
- Lincoln Stable Value Account crediting rate is no less than 2.70% until December 31, 2025.

Assumptions for all scenarios¹⁵

- Plans: One 457(b) and one 401(a)
- Expected assets at implementation: \$105 M
- Annual contributions: \$4.7 M
- Participants with a balance: 1,310
- Eligible employees: 765
- Retirement consultant support: 24 days annually
- There are no commissions or compensation included in the required revenue.
- The plan does not have an automatic enrollment feature. If this feature is adopted for new employees only, there is no change in pricing. If this is implemented for all eligible employees, pricing is subject to review.
- *WellnessPATH*[®], our online financial wellness tool, is included.
- The GMIR is 1.00%.
- The self-directed brokerage account is included in pricing.
- Lincoln is the exclusive provider.
- Price guarantee: Five years

Please refer to the link below for the complete pricing summary included as Attachment 8.

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54. Can you accommodate a combination asset-based and per-participant fee? Discuss specific limitations in how fees are charged.

Yes.

55. Please describe all other fees below. Only the fees clearly disclosed in the chart below (as well as the asset based and per capita recordkeeping fees above) will be allowed in the final recordkeeping contract. Do not refer to any outside attachments for any fee. Additionally, do not refer to any other portion outside of this chart of the RFP to describe any fee.

Other Fees and Expenses	
Adding a New Fund to Your Investment Platform	Included
Each Additional On-Site Participant Education Day	\$750 per day, per retirement consultant
Custom Client Branded Communication and Education Materials	Included
CERTIFIED FINANCIAL PLANNER™ Services	Dependent on the needs of the individual client and the complexity of the topics addressed
Unitized Custom Model Portfolios	Portfolios are unitized, and include the following costs in the expense ratios and NAV: Morningstar 3(38) service: 0.04% on assets in the portfolios Unitization services by Mid Atlantic Trust Services: 0.035%

¹⁵ This proposal is guaranteed for 120 days as of 4/28/2023 after which time Lincoln reserves the right to reconsider its initial proposal. Our response to this pricing request has been prepared based on information presented in the RFP and any variation, plus or minus 10%, from the assumptions will result in re-pricing our quote.

Non-unitized Custom Model Portfolios	N/A
Hardship Approval and Processing	\$0
Qualifying and Processing DROs	\$500
Distribution Fees (list all)	\$40
Periodic Payments (Installment) Set-Up Fees	\$0
Annual Periodic Payments (Installment) Maintenance Fees	\$0
In-Service 59 ½ Withdrawal Fees	\$25
ACH	Included
Wire Transfer	Included
Overnight Delivery	Included
Managed Account Fees	0.45% of all assets for participant who use this service

Self-Directed Brokerage Fees	<ul style="list-style-type: none"> • Annual administrative fee - \$50.00 • No-transaction-fee (NTF) – More than 4,500 NTF mutual funds are available. • Internet stock order fee – \$0.00 • Trading fees – For funds outside the NTF group, there is a \$25 per-transaction trading fee. <p>Mutual fund loads – Many no-load funds are available in the self-directed brokerage account (SDBA). However, some mutual fund companies may assess a front- and/or back-end charge. We provide participants with details on these charges in the SDBA new account kit.</p>
Creation of Required Annual Notices	<p>If Lincoln's plan document services are used, Lincoln will prepare and distribute the following annual notices to the City for distribution to participants.</p> <ul style="list-style-type: none"> • Automatic Enrollment notices (QACA, EACA, ACA) • Safe Harbor • Universal Availability • Summary Plan Description (SPD)
Mailing of Required Notices	The City will be responsible for disseminating notices to participants.
Creation of Fund Change Notices	Included
Mailing of Fund Change Notices	Included
Mailing of Participant Statements	Participants are defaulted into e-delivery for quarterly statements. There is no additional charge to the City to mail statements to participants who opt out of e-delivery.
One-Time Costs Related to the Transition or Plan	Included

<p>Recordkeeping Contract Termination Fees</p>	<p>There are no contract-level charges for a standard de-conversion. However, if a custom de-conversion (programming, formatting, reporting, etc.) is required, additional charges may apply.</p> <p>If the City chooses to terminate the program, they can process withdrawals from the Lincoln Stable Value Account in one of the following ways:</p> <ul style="list-style-type: none"> • Full contract value in six installments over a five-year period. • Full contract value less a potential market value adjustment paid at contract termination that will never be less than principal plus interest accrued at the GMIR. • A 12 month put if that contract provision is selected <p>The Lincoln Stable Value Account is also available on other major recordkeeping platforms.</p>
<p>Special Project Fees</p>	<p>Extraordinary services or complex reports may be billed at \$150 per hour</p>
<p>Other Fees (list)</p>	<p>All fees have been disclosed.</p>