



NATIONAL ASSOCIATION OF

STATE TREASURERS

Request for Proposals

Administrator Services for Unclaimed
Retirement Clearinghouse

Released July 31, 2020

Proposals due by 5:00 pm PST on September 4, 2020

National Association of State Treasurers
Request for Proposal
Administrator Services for Unclaimed Retirement Clearinghouse

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1. Overview

The National Association of State Treasurers (NAST) is issuing this Request for Proposals (“RFP”) for Clearinghouse Administrator Services (“Services”). Institutions that submit Proposals (“Respondents”) shall submit their proposals by 5:00 PST by September 4, 2020.

NAST seeks a Contractor with an efficient and effective unclaimed property reporting system, to administrator a clearinghouse for uncashed ERISA plan checks which will be distributed to participating state unclaimed property programs. The initial period of services contracted will be 5 years. The Contractor must have thorough knowledge of ERISA plans, NAUPA file formats, and federal, state and local unclaimed property programs and law. At the time the Contractor submits its Proposal, or prior to that time, if required by law, the Contractor must have all required licenses, bonding, facilities, equipment and trained personnel necessary to perform the work specified in this RFP.

The objectives NAST seeks to fulfill through this RFP are:

1. Ensure that state unclaimed property programs maximize collection of unclaimed retirement plan distribution checks and return those funds to their rightful owner.
2. Providing a streamlined reporting process to private sector retirement plans.
3. Minimize direct expense to NAST and state programs.
4. Communicate clearly with the U.S. Department of Labor and ERISA plan holders to educate and promote the clearinghouse functionality and attributes.
5. Provide an efficient customer service operation for any holder or state requests.

2. Background

The U.S. Department of Labor, through its Advisory Council on Employee Welfare and Pension Benefit Plans, has been working for approximately eight years examining uncashed ERISA plan checks. The National Association of Unclaimed Property Administrators (“NAUPA”) has argued that, as a matter of public policy, the funds should be returned to their rightful owners, and that unclaimed property administrators within state governments are best positioned to support that effort. Based on its recent report, “Voluntary Transfers of Uncashed Checks from ERISA Plans to State Unclaimed Property Programs,” available [here](#), the U.S. Department of Labor is open to that idea.

Further, there was discussion concerning retirement plan administrators’ concern at having to manage relationships with 50 states, the District of Columbia, and territories in order to transfer the funds to the state in which the plan participant resides. As noted in the Council’s report, a central clearinghouse would remove a substantial barrier to plan administrators’ willingness to voluntarily transfer uncashed checks to state unclaimed property offices.

NAST seeks to establish such a clearinghouse and make the process as attractive as possible to retirement plan holders to promote compliance. This will be accomplished in part through a simplified approach to reporting. This approach will allow permitting property for multiple states to be contemporaneously reported through a single streamlined transaction. To maximize holder utilization, participating states will agree to cover the cost of this service. We believe these efforts will make the clearinghouse an easy-to-use and cost-effective alternative to other free options (e.g., rollover IRAs and taxable savings accounts).

3. Initial Qualifications

3.1. Internet-based reporting

The contractor should have extensive experience with unclaimed property reporting and have an internet based reporting structure in place. We understand that systems may need to be adjusted to meet the specifications of clearinghouse reporting, but the contractor should have an internet-based reporting system operational with references to its efficacy. Such a system will ensure secure acceptance of holder reports, free of errors, and in the required uniform formats (NAUPA II & NAUPA III).

3.2. Knowledge of NAUPA codes and file formats

For more than two decades, NAUPA has established and approved a set of codes in a uniform format to make electronic reporting more consistent. The contractor should have full knowledge of the NAUPA II and III standard property codes and file format, including state specific reporting nuances. They will be expected to keep up with all changes to reporting standards to ensure the most accurate delivery to all participating states.

3.3. Experience with State Unclaimed Property Programs

The contractor will be working closely with state programs to promote the clearinghouse and encourage state participation, as well as facilitating the secure transmission of data to participating programs. To that end, the contractor should have a proven working relationship with state unclaimed property programs. Unclaimed property is a constantly evolving space and the contractor will be required to keep up with state unclaimed property programs, management, and the changing laws and regulations on a national and state level, especially as it relates to ERISA plans.

3.4. Knowledge of ERISA Plans

As the point of contact for pension plans choosing to voluntarily report, the contractor should have a deep knowledge of the Employee Retirement Income Security Act of 1974 including fiduciary standards of conduct, disclosure rules, and applicable case law. Demonstration of such knowledge may be provided by the inclusion of, but not limited to, submission of resumes of staff expected to perform tasks requiring an in-depth understanding of ERISA.

3.5. Experience and familiarity with NAST & NAUPA

The Contractor would preferably have an established relationship with NAST & NAUPA, understanding our structure, mission, values, and membership.

3.6. Data Security

The Contractor, being responsible for the secure transfer of sensitive data, must be able to explain how they adhere to the highest level of data and cyber security including, but not limited to: Standardized due diligence on annual SOC reports for the last three years; current cybersecurity framework; ISO 27001 certification; Cyber incident response plan including notification, mitigation, recovery, and restoration timeline; cybersecurity training program which

includes new user awareness training, annual user awareness training, and refresher training after incidents.

3.7. Proven customer service

As the point of contact for retirement plan holders and participating states, the contractor must demonstrate experience with planning, implementing, and sustaining fast and efficient customer service.

4. Scope of Service

The Contractor must furnish all labor, materials and resources necessary to provide NAST with clearinghouse reporting services, including but not limited to the following:

4.1. *Design and implementation of an internet-based reporting functionality for plans and coordinating the transfer of property to states.*

Utilizing current NAUPA formats and codes, the contractor will receive the escheatment records from the holder, validate that all required information is included - nationally and jurisdictionally, successfully prepare and transmit a report to the participating state(s), maintaining those records in an archive.

4.2. *Creation and staffing of customer service operations*

Provide 24/7 support for holders and participating states. These staff would respond to plan, state, and claimant questions and issues by both email and telephone response.

4.3. *Drafting communication materials for review including, but not limited to, promotion, operating procedures, plan, state, and public education*

The contractor must demonstrate the ability to collaborate with NAST to develop communication materials encouraging state participation, plan utilization, and U.S. Department of Labor favor.

4.4. *Compiling/managing information into reports while maintaining the highest level of financial and data security*

Present, maintain, and test a detailed business continuity plan ensuring maximum operational time. All data transmitted through the clearinghouse must be protected with the highest level of information and data security.

4.5. *Preparing periodic status and management reports for NAST/states including reporting at NAST and NAUPA Executive Committee meetings and conferences as requested.*

Utilizing robust analytics, report to NAST and NAUPA Executive Committees the details on plan utilization, financial standing, historical data and projections to provide a comprehensive view of clearinghouse performance.

4.6. *Assist NAST and NAUPA in its advocacy work with the U.S. Department of Labor to seek an expansion of states' role in the unclaimed retirement space*

Develop a communications plan and reports to continue to work with the U.S. Department of Labor to show the success of programs to return this property.

5. Payment and Fee Structure

The plan will be administered by NAST, with a possible additional service provider helping to manage the financial transactions. The contractor will propose a payment structure for services offered including but not limited to a direct payment, contingency, or other compensation model or combination thereof.

Fees would be paid from uncashed retirement plan distribution checks processed through the clearinghouse. Individual state unclaimed property programs would contract with NAST, (i) authorizing NAST, through its agent, to collect and report the property on the state's behalf, (ii) temporarily hold at NAST's bank the property pending remittance to the state, and (iii) deduct, prior to remittance of the property, a percentage of the property value. The revenue received by NAST from collections would cover: (i) NAST's management of the program, (ii) contractor's fees, and (iii) bank custodian fees (separate RFP).

To assist with your explanation, please utilize and expand if needed the estimated cost structure chart available as [appendix A](#).

	Total Received	Cost for Vendor	Cost for NAST	Net to State
Year 1	\$1 Million			
Year 2	\$5 Million			
Year 3	\$10 Million			
Year 4	\$20 Million			
Year 5	\$30 Million			

6. RFP Key Dates and Deliverables

6.1. RFP Schedule

Task	Date
RFP Released	July 31st
Questions Due	August 14th
Answers Posted	August 24th
Proposals Due	September 4th
Vendor Interviews	Week of September 21st
Vendor Selection	October 5th

6.2. Contact Information

Jeremy Dawson will serve as the primary point of contact for any questions and to submit responses.

NAST, Jeremy Dawson, jeremy@statetreasurers.org, 202.630.1405

6.3. Confidentiality of Documents

NAST will maintain the confidentiality of proposals to the best of our ability, complying with all relevant regulations.

6.4. Questions

Questions must be received by 5:00 pm PST on August 14th to receive a response. Answers will be posted to the [NAST website](#) by 5:00 PST on August 21st.

7. Proposal Content & Format

Please provide your responses in the following format. Brevity is encouraged throughout, but the Detailed Scope of Work section has a 10 page limit.

1. Cover page
2. Table of Contents
3. Executive Summary Describing the Proposal
4. Certification of Compliance with Initial Qualifications
5. Detailed Scope of Work (10 page limit)
6. Service Team including subcontractors, if applicable
7. Timeline for Implementation
8. Cost Proposal including cost structure sheet (Appendix A)

8. Selection Criteria

NAST will evaluate all bids according to a uniform process. Bids will be evaluated on a scale of one hundred (100) points distributed among these three categories as follows:

Evaluation Factor	Maximum Number of Points Possible
Background and Experience	20 Points
Reporting Services	30 Points
Customer Services, Communications, and Other Responsibilities	30 Points
Fees	20 Points
TOTAL	100 Points

Bids will receive a raw score in each category based upon NAST's evaluation of responses to specific requirements.

9. Finalist Interview

Finalists may be asked to participate in an interview either in-person or virtually. This interview will discuss the details of the proposal and will be used to make a final decision.