

### **PROPOSAL FOR**

# BOONE COUNTY SCHOOLS

2025-021 - RFP Annuity



## **SECTION A - TITLE PAGE**

American Fidelity can provide both fixed and variable annuity products for use as the funding vehicles for any Boone County employer contribution. We will, at your direction, establish individual accounts for each eligible Boone County employee, communicate the applicable matching program, apply employer contribution to individual customer accounts, monitor and apply vesting schedules based on notifications from the employer of termination. We will rely on the employer to provide hire dates for all employees, along with full years of service accounting, and notices of termination.

American Fidelity strongly encourages individualized enrollment opportunities for retirement systems so that employees can be fully informed of their matching opportunities and take full advantage of the tax benefits provided. We strive to provide balanced and fair education to all employees regarding product differences, benefits, features, fee structures, plan differences, advantages, and disadvantages of the choices available. We pride ourselves in our long history of focus on the K-12 educational market and our depth of experience in this market.

#### **Megan Garton**

Account Development Executive 317-871-2480

megan.garton@americanfidelity.com

American Fidelity Assurance Company 9000 Cameron Parkway Oklahoma City, OK 73114 americanfidelity.com Authorized Official Signature

Stephania Williams, VP, Marketing

Authorized Official Name and Title

#### EMPLOYER BENEFIT SOLUTIONS FOR EDUCATION



American Fidelity Assurance Company 9000 Cameron Parkway Oklahoma City, OK 73114

March 27, 2025

Boone County Board of Education
Donny Grant, Purchasing Administrator

I am writing on behalf of American Fidelity to formally express our interest and commitment in supplying our products and services to the Boone County Public Schools.

Our organization has a long history of delivering exceptional quality products and services, and we are confident that we can meet and exceed your requirements. We understand the importance of this project and are fully committed to ensuring its successful implementation. In line with your request, the following individuals are authorized to make representations on behalf of our organization:

Megan Garton, Account Development Executive Rebecca Combs, State Manager Kate Mathis, State Manager Lyndy Cornett, Senior Account Relations Coordinator Paul Arvin, Annuity Product Manager

These individuals hold significant roles within our organization and have been fully briefed on the specifics of this project. They are highly capable and well-positioned to ensure the prompt and effective delivery of our products and services.

In compliance with your directive, this letter is signed by me, an individual authorized to contractually bind our organization. I assure you of our commitment to this project and our readiness to commence as soon as we receive your approval.

We anticipate the opportunity to work with the Boone County Public Schools and assure you of our utmost dedication and professionalism in delivering the required products and services.

Thank you for considering our proposal. We look forward to a positive response and a mutually beneficial partnership.

Authorized Official Signature

Stephania Williams, VP, Marketing

Authorized Official Name and Title

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#### **Megan Garton**

Account Development Executive 317-871-2480 megan.garton@americanfidelity.com

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Stephania Williams, VP, Marketing

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## SECTION B - EXPERIENCE AND FINANCIAL CONDITION

American Fidelity Assurance Company, headquartered in Oklahoma City, OK, is renowned for its solid financial condition and consistent A+ Superior rating from AM Best since 1982. Established in 1960, we've grown to be one of the largest privately owned life and health insurance companies in the United States.

Our expertise lies in providing unique solutions for the education community and we have been serving school districts for over 60 years. Currently, we serve more than 4,300 districts nationwide, a testament to our wide-ranging capabilities and deep industry knowledge.

In addition to our work in life and health insurance, we also have extensive experience in the annuities sector. We understand the importance of financial security in retirement and offer a range of annuity products designed to provide a steady income stream for our customers during their retirement years. Our annuity options are tailored to suit different risk profiles and retirement goals, emphasizing our commitment to providing diverse and flexible solutions for our clients' financial needs.

In the references we are providing, you will find evidence of our commitment to assist employers with matching contributions, helping to optimize their retirement plans and benefits packages for employees.

Franklin County Schools 927 Employees arry Murphy, HR Director larry.murphy@franklin.kyschools.us Kathy McDaniel, HR/Billing Kathy.mcdaniel@franklin.kyschools.us 190 Kings Daughters Drive, Frankfort, KY 40601

Fort Thomas City Schools 360 employees
Brian Robinson, Superintendent brian.robinson@fortthomas.kyschools.us
28 N Ft Thomas Avenue
Fort Thomas, KY 41075

Clark County Public Schools 940 employees Aleisha Ellis, Finance Officer Aleisha.ellis@clark.kyschools.us 1600 W Lexington Avenue Winchester, KY 40391

## SECTION C - MARKET COMMITMENT

Describe the developed market arena for your organization (National or regional). Please include statistics supporting your existing business specific to non-ERISA 403(b) and 457(b) Plans. Include the number of Plan Sponsors and participants, assets, etc.

In the national market, our organization operates in select states, serving around 3,500 plan sponsors with non-ERISA 403(b) and 457(b) plans. We currently have approximately 160,000 active policies, representing a significant presence in this specialized market.

Variable 403(b) account total as of 2/28/2025: 49,160

Annualized Premium: \$122,762,184

Fixed 403(b) account total as of 2/28/2025: 72,144

Annualized Premium: \$94,901,671

## Describe the level of customer service support that will be provided to Plan Sponsors in addition to support provided to plan participants.

Plan sponsors will benefit from comprehensive customer service support, including help with retirement plan administration and transaction processing. This includes efficient management of participant transactions like withdrawals, loans, demographic updates, and annuitizations, ensuring smooth operations for both sponsors and participants.

Our service is further enhanced by a network of local account managers and state managers who specialize in 403b and 457 plan administration. These professionals offer hands-on support to district offices and employees, ensuring personalized assistance and swift response times for seamless plan administration.

With extended hours of operation at our home office, we ensure that support is readily available when needed. Our strong local presence and the direct involvement of our account managers with district offices and employees distinguish us. We aim to provide more than just retirement plans; we offer exceptional, personalized service tailored to the needs of plan sponsors and participants. Our deep engagement with the education community underscores our commitment and the value we add to our partnerships.

## SECTION C - MARKET COMMITMENT

Indicate the process and the individual(s)/department that will be responsible for the oversight and management of the activities of local representatives, if applicable, according to the guidelines established by Boone County Board of Education and/or the adopting Plan Sponsors.

Boone County will be serviced by local American Fidelity Representatives who report directly to local leadership, subject to the national leadership of American Fidelity. Our representatives are securities licensed and are required to comply with state insurance, state securities, FINRA, and SEC regulations. AFS, our brokerage entity, monitors compliance with all state and federal regulatory requirements along with our state and national leadership monitoring all sales activities, communications, customer relations, and practices.

Our home office customer engagement and annuity services departments also include employees who can respond to customers inquiries or requests via phone, email, or other electronic communications. These interactions are also monitored and required to comply with all state and federal regulatory requirements.

We strive to maintain open lines of communication with our employer customers, and should you encounter any challenges we encourage any and all feedback so we can fully address any concerns to fully meet your expectations and the requirements of your plan.

## SECTION D - INVESTMENT PRODUCT PROPOSAL

### **Product Descriptions:**

**AF Choice / FPDA12**: Individual fixed annuity contract with no contract charge, no annual fee, and no withdrawal charge. Optional additional declared interest riders that increase the rate of interest over whatever the currently declared rate is by a set amount for a specified period of months at no cost. Each optional rider carries a declining withdrawal charge. See below:

#### **Additional Declared Interest Riders**

Rider	Additional Interest	*Withdrawal Penalties by Year										
Kider	Additional interest		2	3	4	5	6	7	8	9	10	11
1 Year	<b>1.5%</b> for <b>12</b> months <sup>**</sup>	9%	9%	8%	7%	6%	0%	-			$\rightarrow$	<b></b>
2 Year	<b>1.25%</b> for <b>24</b> months <sup>10</sup>	9%	9%	8%	7%	6%	0%	-	_		$\rightarrow$	>
5 Year	<b>0.5%</b> for <b>60</b> months	9%	9%	8%	7%	6%	0%	-	_		-	<b></b>
10 Year	<b>0.75%</b> for <b>120</b> months <sup>**</sup>	9%	9%	8%	7%	6%	5%	4%	3%	2%	1%	0%

\*Withdrawal Penalties by Year

**AF Advantage Variable Annuity**: Individual variable annuity contract with a total separate account charge of 1.51%, including 1.25% M&E; 0.10% Distribution expense; 0.15% Administrative charge; \$15 per year annual fee (included in the 1.51% total). 12 internal transfers permitted per year at no charge, after 12 there is a charge of the lesser of \$25 or 2% of transferred amount. 403(b) loans are permitted with a 5 years repayment schedule and have an interest rate applied of 5%.

## FIXED INTEREST OPTION

Company Name		
Investment		
Product Name	FPDA12 / AF Choice	
Interest Crediting	2.50%	
Rate October	Currently 3.0%	
Guaranteed		
interest Rate	1.00%	
	Annually declared index minimum	
Terms for	interest guarantee for 12 moths based	
Guaranteed	on the 5 year Constant Maturity	
interest rate	Treasury Rate less 1.25%; with a	
interestrate	guaranteed floor of 1% and a cap on	
	the annual minimum guarantee of 3%.	
	None on Base contract;	
Interest Bonus	4 optional additional interest riders	
	1.5%; for 12 mos; 1.25% for 24 mos;	
	.50% for 60 mos; .75% for 120 mos	
	N/A on base contract;	
Surrender Charge	12, 24 & 60 mos riders add 5 years	
· ·	surrender; 120 mos rider adds 10 year	
	surrender charge	
Surrender Period	N/A on base 12, 24 & 60 mos rider = 5 year	
Sufferider Period	12, 24 & 00 mos rider = 3 year 120 mos rider = 10 year	
	12 mos rider; 24 mos rider & 60 mos	
Surrender	rider = 9%,9%,8%,7%,6%,0%	
Schedule (%)	120 mos rider =	
(1.5)	9%,9%,8%,7%,6%,5%,4%,3%,2%,1%,0%	
Rolling or		
Declining	Declining	
If Rolling, what is		
the maximum		
surrender period?	N/A	
Administrative	•	
Fees	N/A	
Contract Fees	N/A	

## **EQUITY-INDEXED ANNUITY**

Company Name		
Investment Product Name	N/A	
Available Indexes	N/A	
Participation Rate	N/A	
Participation Cap	N/A	
Guaranteed interest Rate	N/A	
Terms for Guaranteed interest rate	N/A	
Interest Bonus	N/A	
Charge for Interest Bonus	N/A	
Surrender Charge and Period Schedule (Year - %)	N/A	
Rolling or Declining	N/A	
If Rolling, what is the maximum surrender period?	N/A	
Administrative Fees	N/A	
Contract Fees	N/A	
Riders Available	N/A	

## **VARIABLE ANNUITY**

Company Name	
Investment Product Name	AF Advantage Individual Annuity Contract
M & E Fee	1.25%
Annual Contract Fee	\$15.00
Surrender Charge (%)	8%, 7%, 6%, 5%, 4%, 3%, 2%, 1%, 0% Capped at 8% of premiums paid
Surrender Charge Period	
Length (years)	8 years
Rolling or Declining	Declining
If Rolling, what is the maximum surrender period?	N/A
Sub Account Cost: (Highest %)	0.82%
Name of this Fund	BNY Mellon Variable Investment Fund Opportunistic Small Cap Portfolio
Sub Account Cost (Lowest %)	0.13%
Name of this Sub Account	Vanguard® Variable Insurance Fund Total Stock Market Index Portfolio
Average Sub Account Cost for all funds offered (%)	0.35%
Total # of Sub Accounts offered	10
Total # of Fund Families offered	3
Additional benefits available	Loan
Benefit Sensitive Waivers	Death Benefits, annuitization for 7 years or 72 months

## MUTUAL FUND-CUSTODIAL ACCOUNT

Company Name		
Investment Product Name	N/A	
investment roduct runic		
Front End Load	N/A	
B Shares fees	N/A	
C Shares fees	N/A	
CDSC Percentage	N/A	
CDSC Period Length (years)	N/A	
<b>Custodial Account Fee</b>	N/A	
Administration Fee	N/A	
Recordkeeping Fee	N/A	
12B-1 Fees (Highest %)	N/A	
12B-1 Fees (Lowest %)	N/A	
Wrap Fee (%) (Optional)	N/A	
Managed Asset Allocation	N/A	
(Optional)		
Fund Cost: (Highest %)	N/A	
Name of this Fund	N/A	
Fund Cost (Lowest %)	N/A	
Name of this Fund	N/A	
Average Fund Cost(%)	N/A	
Total # of Funds offered	N/A	
Total # of Fund Families offered	N/A	

## SECTION E - FINANCIAL EDUCATION AND ADVISORY SERVICES

We provide highly-trained account managers to meet with your employees to ensure their objectives and goals have not changed, and their retirement plans are on track to help them achieve their goals. Our account managers are salaried employees of American Fidelity and do not engage in hard-sell practices or aggressive solicitations.

We can also provide a variety of print materials and emails to engage with your employees and help them better understand their options and when to enroll.

Participants will have access to our online platform and mobile app to manage their annuity on the go.

#### Participants can:

- View account balances, transaction statements, and account history
- Access distribution and change forms
- Elect electronic statement delivery
- View monthly and quarterly fund performance returns for variable annuity accounts
- Make inter-fund transfers and asset allocation changes for variable annuity accounts
- Online retirement asset calculators.
- Online guidance and education to help customers understand the areas that require focus at different stages in their life from new hire to mid-term employees to those approaching retirement.
- Currently working on developing online financial wellness services for employees that incorporate not only retirement but other insurance needs as well.

Our team of salaried account managers are available year-round to answer questions and provide retirement readiness presentations as desired. We also have a dedicated customer service team to provide live support when participants need it.

## SECTION 2 - COMPLIANCE WITH SECURE 2.0 REQUIREMENTS

• Is your company able to maintain vesting? Please describe.

We can administer a vesting schedule, provided that the employer supplies the necessary start date, termination date, and updates us on whether a participant has failed to fulfill a qualifying year of service.

• Is your company able to maintain multiple vesting schedules in a single plan? Please describe.

We can administer multiple vesting schedules, provided that the employer defines the vesting schedules and supplies the required identification of which schedule applies to each account holder.

Please describe your process for return of unvested amounts.

Upon distribution to terminated employees who have not attained fully vested status, we will issue the balance of unvested funds to the district account established to receive them. We also send notification to the employer upon distribution for an employee who has not achieved full vesting.

• Please describe how you will enroll all employees, even if they choose to save with another provider.

We recommend that each employee meet with a representative to fully understand the employer contribution for which they qualify, along with any existing contribution requirements. This ensures that employees contribute at least the minimum amount required to qualify for the employer contribution, regardless of their chosen provider.

- Is your company able to comply with the following SECURE 2.0 provisions that impact governmental Annuity plans? If so, please explain:
  - a. The increases of the Required Minimum Distribution Age to 73 until 12/31/32 and to 75 on 1/1/33? Yes
  - b. Accommodate the birth and adoption distribution repayment option? Yes
  - c. Determine and accommodate the 10% early withdrawal penalty exemption for individuals with terminal illnesses? Yes
  - d. Process Disaster Recovery Distributions? Yes
  - e. Process Disaster Recovery Loans? Administer repayments? Yes\*
  - f. Accept 457(b) Salary Reduction Agreements for plans that apply the "elimination of the first day of the month" requirement for governmental 457(b) plans? Yes

## COMPLIANCE WITH SECURE 2.0 REQUIREMENTS

- g. Accommodate and record keep Roth Employer Contributions? Yes, we are currently expanding our capabilities and overall customer experience by implementing a new vendor solution to accommodate Roth contributions.
- Is your company capable of tax withholding and 1099R reporting of these contributions as set forth in IRS Notice 24-2? American Fidelity is currently working with a new vendor to accommodate Roth contributions and anticipate full compliance by January 1, 2026.\*\*
- h. Process Emergency Expenses distributions? Yes Administer the repayment process? Yes
- i. Process Domestic Abuse distributions? Yes
   Administer the repayment process? Yes
- j. Will your company be able to accommodate the higher catch contributions in participant accounts beginning 1/1/25? Yes
- k. Will your company be able to accommodate mandatory Roth age 50 contribution requirement to eligible individuals who are contributing pre-tax contributions beginning 1/1/26? We are currently working with a new vendor to accommodate Roth contributions and anticipate full compliance by January 1, 2026
  - \*Aspects of these distributions may be limited by current contracts requirements on minimum balances or open contract time periods prior to eligibility for distirbutions.

<sup>\*\*</sup> Implementation is expected to be complete and fully functioning by January 1, 2026.

Supplier into	rmation
Company Name:	American Fidelity Assurance Company
Contact Name:	Stephania Williams
	9000 Cameron Parkway
	Oklahoma City, OK 73114-3701
Phone:	1-800-662-1113
Fax:	405-523-5963
Email:	proposal@americanfidelity.com
Supplier Note	es
	i
	e <sub>s</sub>
gnite Institute for T	aving carefully read and considered the Request for Bid to provide furniture and equipment for the he Boone County Board of Education, does hereby offer to perform such services on behalf of The , in the manner described and subject to the terms and conditions set forth in the attached bid.
Stephania Williar Print Name	Signature Signature

## CERTIFICATION OF COMPLIANCE WITH SPECIFICATIONS FOR

Certification of Compilance with Specifications:
In compliance with the Request for Bid, and subject to all the conditions thereof, the undersigned hereby
certifies to the Boone County Board of Education that all items and/or services included in the bid shall be
in compliance with all requirements and technical specifications included in this request for bid, except as
noted below:

**EXCEPTIONS:** 

NAME OF CON	IPANY American Fideli	ty Assurance Company		
BY Manua Nellan OFFICIAL TITLE VP, Marketing				
	(SIGNATURÉ)			
PRINT NAME:	Stephania Williams	DATE 3/27/2025		

#### "PROHIBITION AGAINST CONFLICTS OF INTEREST, GRATUITIES AND KICKBACKS"

ANY EMPLOYEE OR ANY OFFICIAL OF THE BOARD OF EDUCATION OF BOONE COUNTY, KENTUCKY, ELECTIVE OR APPOINTIVE, WHO SHALL TAKE, RECEIVE, OR OFFER TO TAKE OR RECEIVE, EITHER DIRECTLY OR INDIRECTLY, ANY REBATE, PERCENTAGE OF CONTRACT, MONEY, OR OTHER THINGS OF VALUE, AS AN INDUCEMENT OR INTENDED INDUCEMENT, IN THE PROCUREMENT OF BUSINESS, OR THE GIVING OF BUSINESS, FOR OR TO, OR FROM, ANY PERSON, PARTNERSHIP, FIRM OR CORPORATION, OFFERING, BIDDING FOR, OR IN OPEN MARKET SEEKING TO MAKE SALES TO THE BOARD OF EDUCATION OF BOONE COUNTY, KENTUCKY, SHALL BE DEEMED GUILTY OF A FELONY AND UPON CONVICTION SUCH PERSON OR PERSONS SHALL BE PUNISHED BY A FINE NOT TO EXCEED FIVE THOUSAND DOLLARS (\$5,000) OR BY IMPRISONMENT IN THE PENITENTIARY FOR NOT LESS THAN ONE (1) YEAR NO MORE THAN TEN (10) YEARS, OR BOTH SO FINED AND IMPRISONED IN THE DISCRETION OF THE JURY.

EVERY PERSON, FIRM, OR CORPORATION TO MAKE, OR PAY, OR GIVE, ANY REBATE, PERCENTAGE OF CONTRACT, MONEY OR ANY OTHER THING OF VALUE, AS AN INDUCEMENT OR INTENDED INDUCEMENT, IN THE PROCUREMENT OF BUSINESS, OR THE GIVING OF BUSINESS, TO ANY EMPLOYEE OR TO ANY OFFICIAL OF THE BOARD OF EDUCATION OF BOONE COUNTY, KENTUCKY, ELECTIVE OR APPOINTIVE, IN HIS EFFORTS TO BID FOR, OR OFFER FOR SALE, OR TO SEEK IN THE OPEN MARKET, SHALL BE DEEMED GUILTY OF A FELONY AND SHALL BE PUNISHED BY A FINE NOT TO EXCEED FIVE THOUSAND DOLLARS (\$5,000) OR BY IMPRISONMENT IN THE PENITENTIARY FOR NOT LESS THAN ONE (1) YEAR NOR MORE THAN TEN (10) YEARS, OR BOTH SO FINED AND IMPRISONED IN THE DISCRETION OF THE JURY.

NOTE:

IT IS A MISDEMEANOR NOT TO HAVE THIS PROHIBITION ON EVERY SOLICITATION OR CONTRACT DOCUMENT. THE PENALTY IS A \$5,000 FINE OR ONE (1) YEAR IMPRISONMENT OR BOTH ON CONVICTION.

I, hereby, certify that I have read and understand the above "Prohibition against Conflicts of Interest, Gratuities and Kickbacks."

March 27, 2025

Date

Name Stephania Williams Title VP, Marketing

## KENTUCKY DEPARTMENT OF EDUCATION 702 KAR 4:160

### NON-COLLUSION AFFIDAVIT

	lersigned agent, being duly sworn, states that neither he al or through kinship) to:	/she nor his/her firm has any relationship				
$\checkmark$	Any school board member or the superintendent;					
$\checkmark$	Any or all prime contractors or material suppliers when method of construction.	nen using the construction management				
	lersigned further states that he/she has not entered into a to the price bid by anyone nor has he/she attempted to ir					
Explain project.	below any kinship or financial relationship you may have	to any parties as mentioned above on this				
-						
	davit is subject to KRS 45A.455 prohibition against conflic ania Williams	VP, Marketing				
	can Fidelity Assurance Company	Thank Nellan				
Name of	f Company /					
Subscrib	ped and Sworn to Me this					
	day of May M.,	JORDAN JESTER Notary Public, State of Oklahoma Commission #18007342 My Commission Expires 07/24/2026				
7/2	14/26 , 20 .	Notary Seal				
1	, 20	I votary ocar				

#### **CONFLICT OF INTEREST**

It shall be a breach of ethical standards for any employee with procurement authority to participate directly in any proceeding or application; request for ruling or other determination; claim or controversy; or other particular matter pertaining to any contract or subcontract, and any solicitation or bid therefore, in which to his knowledge:

- He, or any member of his immediate family, has a financial interest herein: or
- b. a business or organization which he or any member of his immediate family has a financial interest as an officer, director, trustee, partner or employee, is a party; or
- c. any other person, business, or organization with whom he or any member of his immediate family is negotiating or had an arrangement concerning prospective employment is a party. Direct or indirect participation shall include, but not limited to, involvement through decision, approval, disapproval, recommendation, preparation of any part of a purchase request, influencing the content of an specification or purchase standard, rendering of advice, investigation, auditing or in any other advisory capacity.

It is a violation of Kentucky Law for any board member or employee with procurement authority, or a member of their immediate family, to have a pecuniary interest either directly or indirectly in an amount exceeding \$25.00 per year in any purchase of goods or services by the Board of Education or any school thereof. Violation of this provision subjects the board member or employee to forfeiture of their position and/or employment with the school system.

I, hereby, certify that no member of my immediate family is an employee with procurement authority or Board member of the Boone County Board of Education.

Signature Signature

March 27, 2024

Date

Name Stephania Williams

Title: VP, Marketing

References: KRS 156.480 OAG 80-32

Model Procurement Code 45A.455