

ADDENDUM #2
Issued December 14, 2017

Additional information and Submitted Questions For:

RFP for Investment, Custodial and Recordkeeping Services for the ECT Uniform and Non-Uniform Plans; and RFP for Actuarial Services for the ECT Uniform and Non-Uniform Plans.

Please revise both Request for Proposals to include:

1. June 30, 2017 Statement of Ending Balance for the Non-Uniform Plan from Principal Financial (attached).
2. The following questions and answers as applicable to each RFP:
 - A. Questions related to the Uniform Pension Plan:
 - a) **Question-** Although it sounds like you don't currently have one, do you have an Investment Policy Statement (IPS) for the plan? If so, can you please provide as soon as possible? **Answer-** The Township is not aware of any IPS.
 - b) **Question-** If you don't have an IPS, are there any limitations on holdings? I.e., alternative assets, emerging markets, etc.? **Answer-** The Benefits Index (Retiree Funding) from Principle guaranties the funding for the retired police officers.
 - c) **Question-** The RFP indicates you are looking for recordkeeping services, does this mean actuarial services? **Answer-** A separate RFP has been prepared and is running concurrent with the RFP for Pension services. Reporting requirements are mentioned in the Pension RFP.
 - d) **Question-** What level of assets must be maintained at Principal to cover the annuity contracts to current retirees? I.e. of the \$10.385 million at 12/31/2016, what is eligible for transfer? **Answer-** As per the Principal Financial Group \$8,658,132.00 is part of the guarantied benefit. The Township desires to move all of these monies into a new plan over time and will work with the new pension provider on the best approach to achieve this goal.
 - e) **Question-** For the Police Plan, the regular services requested did not mention GASB 67/68. Will you also need information prepared annually? **Answer-** Yes ECT will need the GASB 67/68 Reporting.
 - f) **Question-** Also for the Police Plan, will annual benefit statements as of January 1, 2018 be prepared by the current actuary? **Answer-** At the moment, yes but subject to change depending on time of selection and any Board of Supervisor decisions.

B. Questions related to the non-uniform plan:

- a) **Question-** Number of Participants? **Answer-** 10 participants currently and 1 to be added in 2019.
- b) **Question –** Asset value? **Answer –** As of 6/30/17 \$480,068.00. See attached June 2017 Statement for more information and investment choices.
- c) **Question-** Is it an existing 401(a) plan? If so, when was it started? **Answer-** No it is a defined employer contribution plan of \$3,000 per employee funded by state aid. Voluntary employee contributions are not permitted.
- d) **Question-** Are you looking for a participant directed recordkeeping platform for this plan? If so, would you like us to provide employee education? **Answer-** Yes and Yes to both questions.
- e) **Question-** Does the participant bear the costs related to the recordkeeping of this program? **Answer-** The Principal contract charges, GASB charges, and administrative costs for the Non-Uniform Plan are funded by State Aid.
- f) **Question-** Does the Township offer a 457 Program where the participants can voluntarily defer income? **Answer-** Yes a voluntary program provided under separate contract by VOYA and independent of the Pension program offered by the Township.
- g) **Question-** The actuarial RFP mentioned the Non-Uniform Pension Plan but did not provide much information regarding the plan, other than the brief information included in the Introduction section. Please provide additional details on the defined contribution plan. How frequently do participants receive statements? What is the frequency participant investment changes are permitted? **Answers-**
 - The Non-Uniform Statements are received twice per year from The Principal Financial Group which includes the Employee individual Statements as well as the Township's Fund Statement of Investments.
 - Each Non-Uniform Employee may elect their investments or elect to have Principal invest their monies for them.
 - Each Non-Uniform Employee may change their investments at any time.
 - No loan can be taken from the Defined Contribution Plan, however if a new Employee rolls money over from their previous Employer's Pension Plan they are permitted to borrow funds from the roll over bucket. These roll over funds are kept separately in an Employee's Pension Account.

h) **Question-** Please provide a copy of the SPD for the Non-Uniform Pension Plan. **Answer-** There is no SPD to the best of my knowledge.

Issued by the:
East Cocalico Township
Pension Advisory Committee
Attn: H. Scott Russell, Township Manager
100 Hill Road
Denver, PA 17517
(717) 336-1720



EAST COCALICO TOWNSHIP
ANNUITY CONTRACT NUMBER 4-04136

CONTRACTHOLDER STATEMENT
ENDING ACCOUNT BALANCES
AS OF 06/30/2017

CONTRACT ACCOUNTS

	EMPLOYER CONTRIBUTIONS	ROLLOVER ACCOUNT	TOTAL
GUARANTEED INTEREST ACCOUNTS			
Maturity Date			
12/31/2017	\$19,574.29	\$0.00	\$19,574.29
12/31/2018	\$18,622.10	\$0.00	\$18,622.10
12/31/2019	\$20,196.54	\$0.00	\$20,196.54
12/31/2020	\$20,657.68	\$0.00	\$20,657.68
12/31/2021	\$15,071.08	\$0.00	\$15,071.08
Total Balance	\$94,121.69	\$0.00	\$94,121.69

PRINCIPAL INVESTMENT ACCOUNTS

Principal Global Investors			
Core Plus Bond Separate Acct+	\$5,055.87	\$0.00	\$5,055.87
Principal Real Estate Inv			
U.S. Property Sep Acct	\$16,774.66	\$0.00	\$16,774.66
Multiple Sub-Advisors			
Principal LifeTm 2020 Sep Acct+	\$17,138.06	\$0.00	\$17,138.06
Multiple Sub-Advisors			
Principal LifeTm 2030 Sep Acct+	\$92,593.91	\$19,835.37	\$112,429.28
Multiple Sub-Advisors			
Principal LifeTm 2040 Sep Acct+	\$4,016.24	\$0.00	\$4,016.24
Columbus Circle Investors			
LargeCap Growth Separate Acct +	\$5,995.08	\$0.00	\$5,995.08
Principal Global Investors			
LgCap S&P 500 Index Sep Acct+	\$127,167.09	\$0.00	\$127,167.09
Westwood / Barrow Hanley			
LargeCap Value III Sep Acct+	\$10,136.92	\$0.00	\$10,136.92
LA Capital Mgmt/Victory			
MidCap Value I Separate Acct+	\$28,651.95	\$0.00	\$28,651.95

**EAST COCALICO TOWNSHIP
ANNUITY CONTRACT NUMBER 4-04136**

**CONTRACTHOLDER STATEMENT
ENDING ACCOUNT BALANCES
AS OF 06/30/2017**

	EMPLOYER CONTRIBUTIONS	ROLLOVER ACCOUNT	TOTAL
Principal Global Investors SmallCap Separate Account+	\$48,361.08	\$0.00	\$48,361.08
Principal Global Investors Diversified Intl Sep Acct+	\$10,221.07	\$0.00	\$10,221.07
Total Balance	\$366,111.93	\$19,835.37	\$385,947.30
TOTAL CONTRACT BALANCE	\$460,233.62	\$19,835.37	\$480,068.99

+ For more information about this investment option, including its full name, please visit the Principal Retirement Service Center at www.principal.com or call 1-800-547-7754 for assistance from a retirement specialist.

Insurance products and plan administrative services are provided through Principal Life Insurance Co. Principal Funds, Inc. is distributed by Principal Funds Distributor, Inc. Securities offered through Principal Securities, Inc., 800-547-7754 Member SIPC, www.sipc.org and/or independent broker/dealers. Principal Life, Principal Funds Distributor, Inc. and Principal Securities are members of the Principal Financial Group, Des Moines, IA 50392. Certain investment options may not be available in all states of the U.S. commonwealths.

Investors seeking detailed information regarding the Securities Investor Protection Corporation (SIPC), including the SIPC brochure, may call SIPC at 202-371-8300 or visit the SIPC website at www.sipc.org.



EAST COCALICO TOWNSHIP
ANNUITY CONTRACT NUMBER 4-04136

DEVELOPMENT OF ACCOUNTS
FOR THE PERIOD
01/01/2017 THROUGH 06/30/2017

ACCOUNT ACTIVITY SUMMARY

	EMPLOYER CONTRIBUTIONS	ROLLOVER ACCOUNT	TOTAL
BALANCE ON 01/01/2017	\$436,756.83	\$18,355.78	\$455,112.61
Earnings	23,476.79	1,479.59	24,956.38
BALANCE ON 06/30/2017	\$460,233.62	\$19,835.37	\$480,068.99

ACCOUNT ACTIVITY BY INVESTMENT

	EMPLOYER CONTRIBUTIONS	ROLLOVER ACCOUNT	TOTAL
GUARANTEED INTEREST ACCOUNTS			
GUARANTEED 3 YEAR MATURES 12/31/2017			
Interest Rate	.10%		
BALANCE ON 01/01/2017	\$5,470.36		\$5,470.36
Earnings	2.71		2.71
BALANCE ON 06/30/2017	\$5,473.07		\$5,473.07
GUARANTEED 5 YEAR MATURES 12/31/2017			
Interest Rate	.28%		
BALANCE ON 01/01/2017	\$15,050.60		\$15,050.60
Other Transfers	970.22-		970.22-
Earnings	20.84		20.84
BALANCE ON 06/30/2017	\$14,101.22		\$14,101.22
GUARANTEED 3 YEAR MATURES 12/31/2018			
Interest Rate	.10%		
BALANCE ON 01/01/2017	\$1,721.03		\$1,721.03
Earnings	0.86		0.86
BALANCE ON 06/30/2017	\$1,721.89		\$1,721.89

**EAST COCALICO TOWNSHIP
ANNUITY CONTRACT NUMBER 4-04136**

**DEVELOPMENT OF ACCOUNTS
FOR THE PERIOD
01/01/2017 THROUGH 06/30/2017**

GUARANTEED 5 YEAR MATURES 12/31/2018		
Interest Rate	.25%	
BALANCE ON 01/01/2017	\$17,792.79	\$17,792.79
Other Transfers	914.43	914.43
Earnings	21.85	21.85
BALANCE ON 06/30/2017	\$16,900.21	\$16,900.21
GUARANTEED 3 YEAR MATURES 12/31/2019		
Interest Rate	.10%	
BALANCE ON 01/01/2017	\$0.00	\$0.00
Matured Account Reinvested	3,341.54	3,341.54
Earnings	1.63	1.63
BALANCE ON 06/30/2017	\$3,343.17	\$3,343.17
GUARANTEED 5 YEAR MATURES 12/31/2019		
Interest Rate	.26%	
BALANCE ON 01/01/2017	\$17,737.91	\$17,737.91
Other Transfers	907.65	907.65
Earnings	23.11	23.11
BALANCE ON 06/30/2017	\$16,853.37	\$16,853.37
GUARANTEED 5 YEAR MATURES 12/31/2020		
Interest Rate	.49%	
BALANCE ON 01/01/2017	\$21,064.63	\$21,064.63
Other Transfers	458.23	458.23
Earnings	51.28	51.28
BALANCE ON 06/30/2017	\$20,657.68	\$20,657.68



**EAST COCALICO TOWNSHIP
ANNUITY CONTRACT NUMBER 4-04136**

**DEVELOPMENT OF ACCOUNTS
FOR THE PERIOD
01/01/2017 THROUGH 06/30/2017**

**GUARANTEED 5 YEAR
MATURES 12/31/2021
Interest Rate**

.35%

BALANCE ON 01/01/2017	\$0.00		\$0.00
Matured Account Reinvested	11,799.17		11,799.17
Other Transfers	3,250.53		3,250.53
Earnings	21.38		21.38
BALANCE ON 06/30/2017	\$15,071.08		\$15,071.08
TOTAL GUARANTEED INTEREST ACCOUNTS	\$94,121.69	\$0.00	\$94,121.69

PRINCIPAL INVESTMENT ACCOUNTS

**Principal Global Investors
CORE PLUS BOND SEPARATE ACCT+**

BALANCE ON 01/01/2017	\$4,950.43		\$4,950.43
Earnings	105.44		105.44
BALANCE ON 06/30/2017	\$5,055.87		\$5,055.87

**Principal Real Estate Inv
U.S. PROPERTY SEP ACCT**

BALANCE ON 01/01/2017	\$16,258.79		\$16,258.79
Earnings	515.87		515.87
BALANCE ON 06/30/2017	\$16,774.66		\$16,774.66

**Multiple Sub-Advisors
PRINCIPAL LIFETM 2020 SEP ACCT+**

BALANCE ON 01/01/2017	\$16,086.87		\$16,086.87
Earnings	1,051.19		1,051.19
BALANCE ON 06/30/2017	\$17,138.06		\$17,138.06

Unit Value 20.3792540

Number of Units 840.9561

**EAST COCALICO TOWNSHIP
ANNUITY CONTRACT NUMBER 4-04136**

**DEVELOPMENT OF ACCOUNTS
FOR THE PERIOD
01/01/2017 THROUGH 06/30/2017**

**Multiple Sub-Advisors
PRINCIPAL LIFETM 2030 SEP ACCT+**

BALANCE ON 01/01/2017	\$85,687.00	\$18,355.78	\$104,042.78
Earnings	6,906.91	1,479.59	8,386.50
BALANCE ON 06/30/2017	\$92,593.91	\$19,835.37	\$112,429.28
Unit Value	21.0360771		
Number of Units	4,401.6720	942.9213	

**Multiple Sub-Advisors
PRINCIPAL LIFETM 2040 SEP ACCT+**

BALANCE ON 01/01/2017	\$3,683.57		\$3,683.57
Earnings	332.67		332.67
BALANCE ON 06/30/2017	\$4,016.24		\$4,016.24
Unit Value	21.7167606		
Number of Units	184.9372		

**Columbus Circle Investors
LARGCAP GROWTH SEPARATE ACCT +**

BALANCE ON 01/01/2017	\$5,196.71		\$5,196.71
Earnings	798.37		798.37
BALANCE ON 06/30/2017	\$5,995.08		\$5,995.08
Unit Value	28.2674993		
Number of Units	212.0837		

**Principal Global Investors
LGCAP S&P 500 INDEX SEP ACCT+**

BALANCE ON 01/01/2017	\$117,278.75		\$117,278.75
Earnings	9,888.34		9,888.34
BALANCE ON 06/30/2017	\$127,167.09		\$127,167.09



**EAST COCALICO TOWNSHIP
ANNUITY CONTRACT NUMBER 4-04136**

**DEVELOPMENT OF ACCOUNTS
FOR THE PERIOD
01/01/2017 THROUGH 06/30/2017**

**Westwood / Barrow Hanley
LARGECAP VALUE III SEP ACCT+**

BALANCE ON 01/01/2017	\$9,570.56	\$9,570.56
Earnings	566.36	566.36
BALANCE ON 06/30/2017	\$10,136.92	\$10,136.92
Unit Value	19.9266996	
Number of Units	508.7106	

**LA Capital Mgmt/Victory
MIDCAP VALUE I SEPARATE ACCT+**

BALANCE ON 01/01/2017	\$27,592.86	\$27,592.86
Earnings	1,059.09	1,059.09
BALANCE ON 06/30/2017	\$28,651.95	\$28,651.95
Unit Value	55.1186679	
Number of Units	519.8230	

**Principal Global Investors
SMALLCAP SEPARATE ACCOUNT+**

BALANCE ON 01/01/2017	\$47,548.69	\$47,548.69
Earnings	812.39	812.39
BALANCE ON 06/30/2017	\$48,361.08	\$48,361.08

**Principal Global Investors
DIVERSIFIED INTL SEP ACCT+**

BALANCE ON 01/01/2017	\$8,924.57	\$8,924.57
Earnings	1,296.50	1,296.50
BALANCE ON 08/30/2017	\$10,221.07	\$10,221.07

TOTAL PRINCIPAL INVESTMENT ACCOUNTS	\$366,111.93	\$19,835.37	\$385,947.30
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These results are for the investment options selected by your plan, and may be different from the results for other plans.

+ For more information about this investment option, including its full name, please visit the Principal Retirement Service Center at www.principal.com or call 1-800-547-7754 for assistance from a retirement specialist.

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**EAST COCALICO TOWNSHIP
ANNUITY CONTRACT NUMBER 4-04136**

**GUARANTEED INTEREST ACCOUNTS
FAIR MARKET VALUE REPORT
FOR THE PERIOD
01/01/2017 THROUGH 06/30/2017**

Your Employer Statements show the contract value of your Guaranteed Interest Accounts. This is the value paid when funds are withdrawn at maturity or for a benefit event. This report shows the FAIR MARKET VALUE of each of your Guaranteed Interest Accounts.* (Pooled separate account assets are already shown on your Employer Statements at market value.) The fair market value of the account is the value paid when funds are withdrawn prior to their maturity. Refer to your Group Annuity Contract for additional information.

If the applicable interest rate is equal to or less than the interest rate on the account, the fair market value is equal to the contract value.

If the applicable interest rate is greater than the interest rate on the account, the fair market value is the contract value reduced by a percentage. This percentage is equal to:

1. The difference between the applicable interest rate and the interest rate on the account, multiplied by
2. The number of years (including fractional parts of a year) until the maturity date.

This is intended as a general explanation of the fair market value of Guaranteed Interest Accounts. Your contract contains the official explanation.

*The American Institute of Certified Public Accountants' Statement of Position 94-4 requires you to report retirement funds of investment contracts at a fair market value on your IRS Form 5500 series annual report and financial schedules. Contracts with insurance companies that do not incorporate mortality or morbidity risk are considered investment contracts. This is an investment contract. This requirement is effective for plan years beginning December 15, 1994. Please be sure your accountant or financial advisor receives a copy of this report.

	EMPLOYER CONTRIBUTIONS	TOTAL
GUARANTEED 3 YEAR		
Matures 12/31/2017		
Interest Rate on Account	.10%	
3 Year Rate on 06/30/2017 - 0.73%		
Balance on 06/30/2017	\$5,473.07	\$5,473.07
Fair Market Value on 06/30/2017	\$5,455.76	\$5,455.76
GUARANTEED 5 YEAR		
Matures 12/31/2017		
Interest Rate on Account	.28%	
5 Year Rate on 06/30/2017 - 0.73%		
Balance on 06/30/2017	\$14,101.22	\$14,101.22
Fair Market Value on 06/30/2017	\$14,069.53	\$14,069.53
GUARANTEED 3 YEAR		
Matures 12/31/2018		
Interest Rate on Account	.10%	
3 Year Rate on 06/30/2017 - 0.81%		
Balance on 06/30/2017	\$1,721.89	\$1,721.89
Fair Market Value on 06/30/2017	\$1,703.70	\$1,703.70

Insurance products and plan administrative services are provided by Principal Life Insurance Company. Securities are offered through Principal Securities Inc., 800-547-7754, member SIPC and/or independent broker dealers. Securities sold by a Principal Securities Representative are offered through Principal Securities. Principal Securities and Principal Life are members of the Principal Financial Group, Des Moines, IA 50392.

**EAST COCALICO TOWNSHIP
ANNUITY CONTRACT NUMBER 4-04136**

**GUARANTEED INTEREST ACCOUNTS
FAIR MARKET VALUE REPORT
FOR THE PERIOD
01/01/2017 THROUGH 06/30/2017**

	EMPLOYER CONTRIBUTIONS	TOTAL
GUARANTEED 5 YEAR		
Matures 12/31/2018		
Interest Rate on Account	.25%	
5 Year Rate on 06/30/2017 - 0.81%		
Balance on 06/30/2017	\$16,900.21	\$16,900.21
Fair Market Value on 06/30/2017	\$16,759.07	\$16,759.07
GUARANTEED 3 YEAR		
Matures 12/31/2019		
Interest Rate on Account	.10%	
3 Year Rate on 06/30/2017 - 0.96%		
Balance on 06/30/2017	\$3,343.17	\$3,343.17
Fair Market Value on 06/30/2017	\$3,272.70	\$3,272.70
GUARANTEED 5 YEAR		
Matures 12/31/2019		
Interest Rate on Account	.26%	
5 Year Rate on 06/30/2017 - 0.96%		
Balance on 06/30/2017	\$16,853.37	\$16,853.37
Fair Market Value on 06/30/2017	\$16,564.82	\$16,564.82
GUARANTEED 5 YEAR		
Matures 12/31/2020		
Interest Rate on Account	.49%	
5 Year Rate on 06/30/2017 - 1.14%		
Balance on 06/30/2017	\$20,657.68	\$20,657.68
Fair Market Value on 06/30/2017	\$20,198.93	\$20,198.93
GUARANTEED 5 YEAR		
Matures 12/31/2021		
Interest Rate on Account	.35%	
5 Year Rate on 06/30/2017 - 1.32%		
Balance on 06/30/2017	\$15,071.08	\$15,071.08
Fair Market Value on 06/30/2017	\$14,440.20	\$14,440.20



EAST COCALICO TOWNSHIP
 ANNUITY CONTRACT NUMBER 4-04136

DEVELOPMENT OF EMPLOYER
 HOLDING ACCOUNTS
 01/01/2017 THROUGH 06/30/2017

ACCOUNT ACTIVITY SUMMARY

FORFEITURE, 2016

NO. 991600999

	EMPLOYER CONTRIBUTIONS	TOTAL
BALANCE ON 01/01/2017	\$3,683.57	\$3,683.57
Earnings	332.67	332.67
BALANCE ON 06/30/2017	\$4,016.24	\$4,016.24

ACCOUNT ACTIVITY BY INVESTMENT

	EMPLOYER CONTRIBUTIONS	TOTAL
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PRINCIPAL INVESTMENT ACCOUNTS

Multiple Sub-Advisors
 PRINCIPAL LIFETM 2040 SEP ACCT+

BALANCE ON 01/01/2017	\$3,683.57	\$3,683.57
Earnings	332.67	332.67
BALANCE ON 06/30/2017	\$4,016.24	\$4,016.24
Unit Value 21.7167606		
Number of Units	184.9372	
TOTAL PRINCIPAL INVESTMENT ACCOUNTS	\$4,016.24	\$4,016.24

+ For more information about this investment option, including its full name, please visit the Principal Retirement Service Center at www.principal.com or call 1-800-547-7754 for assistance from a retirement specialist.

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