



News from:
COMPTROLLER KEVIN LEMBO

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**COMPTROLLER LEMBO ANNOUNCES PRELIMINARY
AGREEMENT WITH PRUDENTIAL TO ADMINISTER
STATE'S DEFINED CONTRIBUTION PLANS**

Comptroller Kevin Lembo today announced that the state has concluded its competitive bidding process and selected a new third-party administrator – Prudential Retirement – to manage the state's three defined contribution plans.

The state's defined contribution plans are retirement plans offered to employees. Two of the plans, the 457 Deferred Compensation Plan and the 403(b) plan, are voluntary supplemental plans. Another plan, the Alternate Retirement Plan, is a core retirement plan offered to certain higher education employees as an alternative to the State Employee Retirement System (SERS) plan. All three plans share the same investment menu and participants benefit from that consolidation through lower fees.

“Our goal is to provide employees and retirees with the best opportunities to save, invest and prepare for retirement,” Lembo said. “Retirement security is an important issue for every household and our economy as a whole – so it's important to make retirement savings options accessible and easy to navigate. Our plan is to work with Prudential to improve the experience for those who already participate, and to encourage more employees to embrace the process of planning for their future.”

The Office of the State Comptroller issues a Request for Proposal (RFP) for third-party administration of the state's defined compensation plans every five years. Following a thorough evaluation by the comptroller's office and members of the State Employees Retirement Commission, Prudential Retirement has been selected to administer the state's plans, beginning July 1.

Employees currently participating are not required to take any action as a result of the transition and they will retain their current investment options. However, Lembo said a new and improved website will be available in July that will include expanded and improved features.

The new contract, which remains under final negotiations, will provide a dedicated team of Connecticut-based retirement counselors and the same 26 investment options and managed account program currently offered, along with lower administrative fees, Lembo said.

In coordination with the comptroller's office, Prudential will introduce a comprehensive financial education initiative with enhanced tools to enable state employees to achieve their retirement goals, Lembo said.

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