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The Commonwealth of Massachusetts
Department of the State Treasurer

One Ashburton Place

Boston, Mass. 02108-1608

Joseph D. Malone
Treasurer and Receiver General

MEMORANDUM



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TO: Participants in the Commonwealth of Massachusetts
Deferred Compensation Plan

FROM: Joseph D. Malone
Treasurer and Receiver General *JDM*

DATE: January 31, 1994

RE: Plan Coordinator Selection

GOVERNMENT DOCUMENTS
COLLECTION
MAY 1 1994
University of Massachusetts
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I am pleased to announce to you that we have recently completed a competitive search process for Plan Coordinator for your Deferred Compensation Plan. Effective March 1, 1994, The Copeland Companies will assume the duties of Plan Coordinator at a fee which is 33% less than the fees currently paid by Plan participants for the services of the incumbent coordinator. In terms of dollars and cents, this will mean a savings of over \$6.5 million to Plan participants over the four years of Copeland's contract when compared to the current contract.

The Copeland Companies are among the nation's premier personal retirement planning specialists. Today, they service deferred compensation plans for the states of New York, Pennsylvania, New Hampshire, New Mexico and Ohio. Copeland currently services over 500,000 participants who have accumulated assets in excess of \$8.5 billion. Copeland is based in East Brunswick, New Jersey and has a client service center in Waltham.

In making the decision to change Plan Coordinators, the Commonwealth conducted an exhaustive analysis over a 10-week period. Proposals were received from five different firms. After evaluating the proposals, each firm was invited to make an oral presentation. Following the presentations, PEBSCO and Copeland were selected as finalists. After completing all phases of the analysis, the Deferred Compensation Oversight Committee, chaired by Jack Reardon, Vice President of Harvard University, unanimously recommended to me that The Copeland Companies be selected. The Committee appreciated the many years of valued service provided by PEBSCO to your Plan, but overwhelmingly agreed that Copeland's services would be more advantageous to the Plan going forward.

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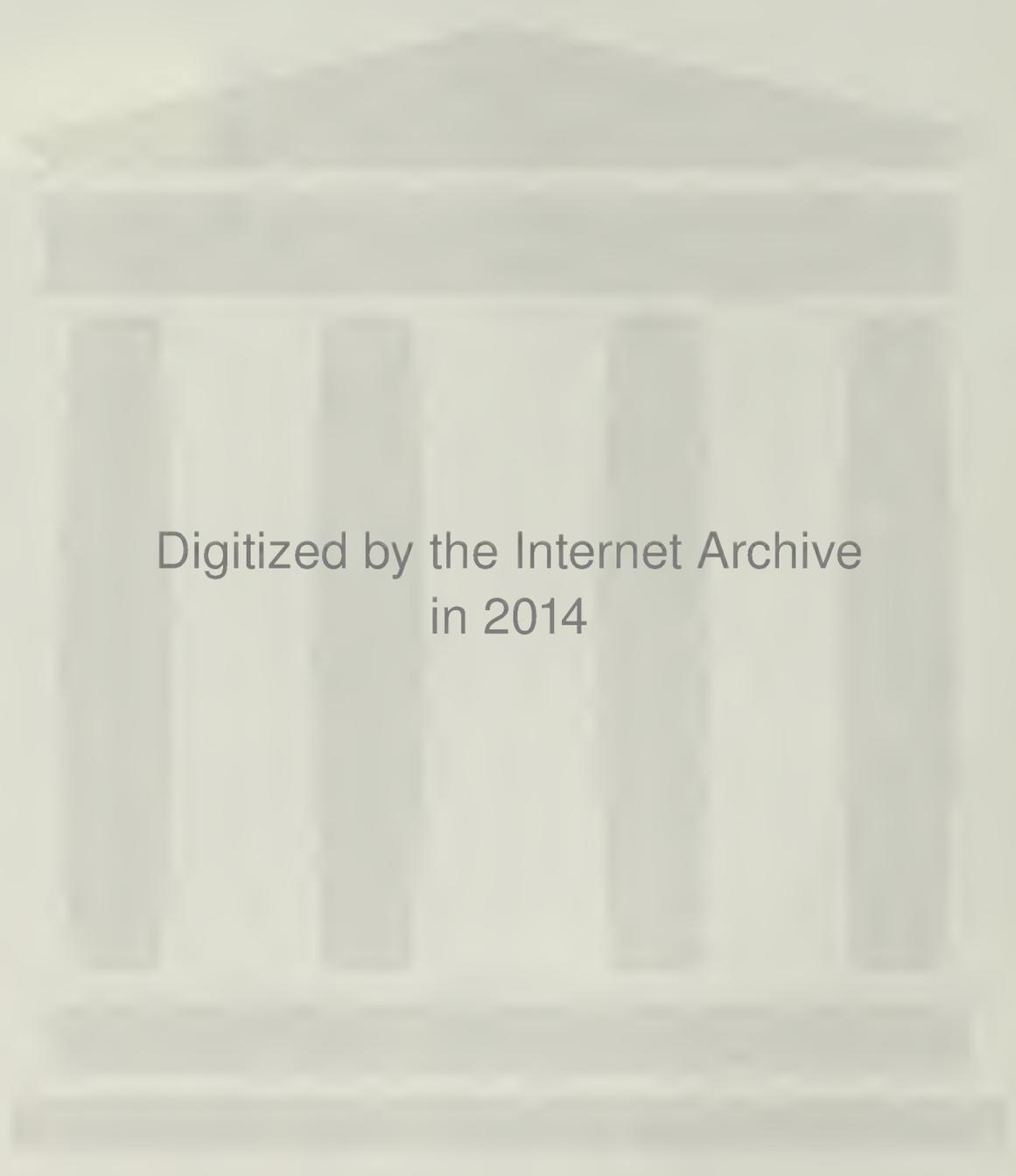
The selection of The Copeland Companies as the new Plan Coordinator will have no impact on the investment options offered under the Deferred Compensation Plan or the money that you have accumulated in your account. Copeland Account Executives and HELPLINE counselors will be available to answer any questions you may have concerning your account or any investment options offered under the Plan beginning March 1, 1994.

Copeland will provide many enhanced services to participants. With more than 80 percent of participants having at least a portion of their money invested in mutual funds, Copeland's accounting system will provide a clearer record of mutual fund investments in tracking the investments in shares rather than units. Thus, if you wish, you will be able to independently determine the value of your mutual fund performance in the financial section of your newspaper. Further, you will receive account statements on a quarterly basis, rather than semi-annually.

Other benefits resulting from the selection of Copeland include the use of advanced technologies and superior counseling services offered by salaried account executives whose focus will be to provide retirement planning services. These account executives, who will be based in a service office located in Waltham, will use laptop computers to maintain up-to-date information about the status of your specific account. The account executives will be available to meet with you on a one-on-one basis to discuss your investments along with other important elements of your savings and retirement plan. Copeland will offer a toll-free 800 number to a HELPLINE where specially trained counselors will be prepared to answer questions about your account. In addition, we expect that you will become more knowledgeable and informed about the Plan due to the quality of the employee communications provided by Copeland for you.

In the coming weeks, Copeland will be working with PEBSCO to complete the transfer of all of your account information. While Copeland is verifying and processing this information, you may experience some minor service disruption if you contact Copeland during the first week of March to inquire about your current account value or to initiate a telephone transfer. It is anticipated that all current account value information will be available to customer service representatives during the week of March 7, 1994. Therefore, if you consider making changes to your account during the first week of March, we encourage you to do so now, or to wait until the week of March 7, 1994. We trust that the delay in the availability of account information during the first few days of March will be the only inconvenience you will experience during the transition period.

In the coming weeks you will be receiving additional information concerning the transition to Copeland. We anticipate that you will see many benefits from the selection of The Copeland Companies as the next Deferred Compensation Plan Coordinator.



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