

Mastering Strategic Contract Negotiations to Maximize Plan Success



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“Contracts”

- Administrative Service Agreement
- Annuity Contracts
- Investment Management Agreement
- Trust or Custodial Agreement
- Self Directed Brokerage Account
- Plan Sponsor Standard Contract
- Managed Accounts Agreement

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Why Contract?

- Keep in mind the goals of the agreement. Aligning on service and level of service to be provided so that you buy what you intend.
 - When negotiating changes understand the rationale to facilitate a mutually workable meeting of the minds.
 - Understand pros and cons of customization vs. standardization.
 - Story time... what would you do?

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Plan Sponsor Checklist

- ✓ Understand the business objectives for the contract in light of the plan's overall goals and objectives
- ✓ Consider the necessary parties to involve and their different roles
- ✓ Prepare a work plan and project timeline
- ✓ Consider the plan's governance structure (plan documents, authorizations, etc.) and need for updates, including managing within a multi-vendor environment
- ✓ Address important components of RFP specifically for contracting
- ✓ Consider required contract terms and role of procurement



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Contracting Documents & Contents

- Pros and Cons of working from the Service Provider's template
- Common government plan contract terms (limits on indemnity, choice of law concerns, payment terms that don't fit the plan payment structure, etc.)
- Who has authority to sign agreements and amendment?
- Story Time...



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Strategies & Risk Mitigation

- Drafting and negotiating tips:
 - Align business, legal and operations perspectives
 - Listen to the needs and concerns of the other party
 - Leave adequate time for negotiation - don't leave legal negotiations to the end!
- Consider impact across the plan
 - For example: Stable value fund considerations
 - Remember to update governing documents and participant communications as needed
- What not to include in a contract!



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Questions?

1. In the conference app, select this session from the schedule.
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