

About us

The Independent Benefits Council name may be new to you, but our membership isn't. IBC is a not-for-profit organization formed in 2007 by four of Florida's leading education groups:

**the Florida Education Association,
the Florida Association of School Administrators,
the Florida School Boards Association and the
Florida Association of District School Superintendents.**

Together, we represent the interests of more than 350,000 of the state's teachers and education staff professionals.

Historically, school system employees across the U.S. have paid significantly higher fees than any other group to the companies that manage their tax-deferred investments. At the same time, the onus has been on the companies to ensure that their plans—and individual employee's investments—meet IRS requirements. At last count, more than 90 companies offered some form of tax-deferred account to school system employees in Florida, alone. With so many companies seeking to do business with school system employees, it has been difficult to ensure that only the highest quality products are offered.

IBC was formed with one goal in mind: to eliminate the inequity in fees and level the playing field for school system employees, while ensuring access to high-quality retirement investment products. Billions of educators' dollars are at stake.

The Model Plan

[Our Consultants](#) | [The Process](#) | [The Criteria](#) | [Model Plan Companies](#) | [Model Plan Documents](#) |

On Oct. 18, the IBC issued a request for proposal (RFP) inviting investment companies to submit their tax-sheltered annuity plans for consideration. Twenty-four companies submitted plans offering one of three levels of service to our members:

- annuities
- multi-product custodial accounts
- mutual fund plans.

The IBC's independent consultant selected five plans to participate in the Model Plan, giving our members a choice among a limited number of plans that offer the best possible deal-- and more than 600 investment options.

It is important to note that neither the IBC nor its consultant has any financial stake in the outcome and that school boards may choose to offer additional plans. However, each plan a district adds may mean higher costs to its employees.

[The Process](#) | [The Criteria](#) | [Model Plan Companies](#) | [Model Plan Documents](#) | [Our Consultants](#)



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Our Consultants

The IBC organizations contributed the funding to hire an independent consultant to assist in developing the Model Plan. Boca Raton-based **Gallagher Benefit Services** was selected from the six companies that responded to a request for proposal (RFP).

The IBC also was assisted by Ft. Walton Beach-based **TSA Consulting Group**, a provider of independent 403b compliance administration and educational services to 60 of Florida's 67 school districts, and the Florida Risk Managers Association.



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The Process

Currently, each of Florida's 67 school districts offers a different "menu" of 403b plans. At last count, more than 90 companies offered some form of tax-deferred plan to school system employees. Because of the sheer number of companies competing for the limited pool of school system employees in any given district, there has been little incentive to these investment firms to limit their fees. As a result, employees in K-12 historically have paid among the highest fees charged to any segment of the workforce—as high as 5%. While the smaller districts have been at a particular disadvantage in attempting to negotiate more favorable rates, employees in all 67 districts have paid a price.

Working together, the IBC member associations sought to demystify the daunting array of retirement investment plans currently available to school system employees. To that end, we developed a simple strategy:

- Identify the characteristics of "model" plans and require that all plans meet these criteria.
- Require that all plans offered meet the requirements of the new IRS regulatory structure.
- Leverage IBC members' collective buying power to secure the lowest possible fees commensurate with the services provided.

Since this is the first initiative of its kind in the nation, IBC retained highly regarded independent consultant Gallagher Benefit Services to develop the criteria by which plans would be evaluated and write a request for proposal (RFP). On October 18, 2007 IBC issued the RFP, posting it on DemandStar, an industry Web site, and e-mailing it to 90 vendors currently doing business in Florida K-12. [Twenty-four companies submitted 30 proposals for consideration in one or more of three service levels:](#)

- Annuities
- Multi-product Custodial Accounts
- Mutual Funds

After an initial review, 11 vendors were interviewed at length, not once, but twice, in meetings with the consultant. Once the interviews were complete, the consultant entered into negotiations with the vendors. Eight plans—four annuity, two mutual fund and two multi-product custodial accounts—made the final cut and were submitted to IBC in ranked order.

TSA Consulting Group, which currently provides independent administration and education services to 60 of the 67 districts, also reviewed the plans, and the criteria used in evaluating them, and concurred in the recommendation.

On January 28, 2008, IBC reviewed the recommendations of the consultant and selected five plans for exclusive membership in the Model Plan.

Neither IBC nor its member organizations have any financial stake in the development or implementation of the Model Plan.

The Criteria

Each of the plans was scored in seven categories:

- Expense charges
- Investment options
- Participant services
- Company experience
- Conversion and implementation
- Administrative services
- Account administration services

Additionally, all vendors were required to provide full fee disclosure, broken down by proposed investment, and disclosure of any pending state or federal investigations or pending legal actions. The final score in the area of fee disclosure was based on vendors' average total expense ratio.



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Our vendors

Annuities

[AIG Retirement](#)

[AXA-Equitable](#)

Multi-product custodial accounts

[PlanMember Financial Corporation](#)

Mutual funds

[American Century Investments](#)

[Waddell & Reed](#)



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Companies Who Submitted Proposals

Company	Annuity	Mutual Fund	Multi-Product
AIG VALIC	X	X	
American Century		X	
Americo	X		
Ameriprise	X	X	
AXA Equitable	X		
First Investors		X	
Franklin Templeton		X	
Great American	X	X	
Hartford	X	X	
Horace Mann	X	X	
ING	X	X	
Legend Group		X	
Life Ins. Co of SW	X		
Lincoln Financial	X	X	
Lincoln Investment			X
Mass Mutual	X		
MetLife			X
Minnesota Life	X		
Oppenheimer		X	
PlanMember Services			X
Putnam		X	
Security Benefit			X
Symetra	X	X	
Waddell and Reed		X	