

MINIMUM AND MAXIMUM PLAN FEES

May 2, 2018

Goal

Determine for a “Standard Plan”, what the minimum and maximum reasonable fees are based on Gartenberg principles.

Profile of the “Standard Plan”

Value of Plan Assets	\$100,000,000
Number of Participants	2,500
Assets per Participant	\$40,000
Average Age	40
Average all-in Cost	
• Basis points	105
• Total dollar amount	\$1,050,000
• Per participant	\$420

Factors Influencing Fees (Gartenberg)

	<u>Minimum</u>	<u>Maximum</u>
Services Provided		
Overall Quality of Services		
• Trust in service provider(s)	Moderate	High
• Ease of doing business	Moderate	High
• Quality of technology	Moderate	High
• Issues or Concerns	Moderate	Low
Plan Services		
• Investment Models	None	Five
• Managed Account Service	No	Yes
• Administration	Low	Fiduciary
• Plan Record Keeping	High	Fiduciary
• Investment Platform	Proprietary	Fiduciary
• Trustee	Low	Fiduciary
• Custodian	Low	Fiduciary
• Participant Services*	Low	Fiduciary
• Personal Investment Advice	No	Fiduciary
• Investment Management	High	Fiduciary



***Participant Services**

• Automatic Enrollment	No	High
• Automatic Escalation	No	High
• Electronic Document Delivery	No	High
• Safe Harbor (no ADP & ACP)	No	High
• Loans	No	High
• Hardship Withdrawals	No	High
• Self-Directed Brokerage	No	High
• Roth (taxable contributions)	No	High
• Participant Advice -Computer	No	High
• Face to Face Participant Advice	No	High
• Catch-up Contributions	No	High
• In-service Distributions	No	High
• Pre-retirement Counseling	No	High
• Matching Contributions	No	High
• Match %	No	50%
• Match Limit %	No	10%
• Education Meetings per year	No	4
• Automatic Rollovers	No	High

Performance

Allocation of assets classes in the plan

• Equity	10%	75%
• Fixed Income	40%	10%
• Stable Value	40%	0%
• Cash Equivalent	0%	10%
• Blended	10%	5%

Principal asset type(s)	Proprietary	ETFs
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Costs and Profits

Plan assets	Same	Same
Number of participants	Same	Same

Economies of Scale

Plan assets	Same	Same
Number of participants	Same	Same

Benefits to Participants

Participation Rate	Same	Same
Average Deferral Rate	3%	10%
Average Age of Participants	Same	Same
Average Income of Participants	Same	Same
Non-Participating Eligible Employees	500	50
Ex-employees Still Participating	Same	Same

Fee Allocation

The allocation of fees to particular services is largely under the control of service providers and each service must be considered in the light of the total fee.

	<u>Minimum</u>	<u>Maximum</u>
All-in Fees		
<ul style="list-style-type: none"> Average comparable plan (BPs) 	105	105
Calculated Fees based on Gartenberg		
<ul style="list-style-type: none"> Basis Points Total Fees Fee per Participant 	32 \$315,000 \$126	176 \$1,764,000 \$706

The following breakdown reflects the typical allocation and is not individually determinant of reasonableness.

Typical Breakdown (per participant)

Administration	\$6.30	\$35.28
Plan Record Keeping	\$18.90	\$105.84
Investment Platform	\$6.30	\$35.28
Trustee Services	\$2.52	\$14.11
Custodian Services	\$3.78	\$21.17
Participant Services	\$25.20	\$141.12
Investment Advice	\$12.50	\$70.56
Investment Management	\$50.40	\$282.24