



we see the whole picture

buck

Sample Report

Defined Contribution Price

Benchmarking Project Summary

Project Scope

- To perform its on-going due diligence, the Benefits Administration Committee for the Sample Report Employee Savings Plan (Non-Union) and Employee Savings and Protection Plan (Union) has requested that Buck Consultants (Buck) help in the review of the current fee structure to determine if the Plans' fees are reasonable and appropriate for the services being delivered, as well as identifying areas for negotiation and improvement, if appropriate.
- Buck's analysis will include all fees incurred in the operation of the plans; both fees paid by Sample Report and fees paid by the Plans or the participants.
- Though not a tax qualified retirement plan, the Director's Deferred Compensation Plan fees were included in Buck's aggregate analysis as all three plans are currently administered by a division of ABC Investments (ABC) and it is beneficial for comparison purposes to assume any successor would have the same scope of services.

Project Background

- Paying for plan administration and recordkeeping varies a great deal and is contingent on a number of factors. In general, the major costs of plan administration fall into two major categories: plan administration charges and investment related fees.
 - Plan Administration Charges -- The day-to-day operation of a plan involves expenses for basic account management, recordkeeping, trustee, communication, and compliance services that are necessary for administering a plan. The costs of administrative services are collected from direct-billed charges commonly referred to as “hard-dollar” fees. Hard-dollar fees can be paid either by the employer or the participant.
 - Investment Related Fees – The investment management fee covers the cost of managing the mutual fund, including salaries for staff, research, and utilities. This fee is a significant component of a fund’s published expense ratio which may include 12b-1, sub advisory, sub transfer agent, wrap, and redemption fees. 12b-1 and sub transfer agent fees can be paid to a third party administrator or a bundled service provider for recordkeeping services rendered and are commonly referred to as soft-dollar fees. In most instances, soft dollar fees are paid by the plan participants. For example, ABC receives some of the fees paid to American Funds to help support administration of the plan.

Project Background

- Investment Related Fees are generally calculated as a percentage of assets invested and referred to as basis points – 100 basis points (“bps”) equals 1%.
- The distinction between Plan Administration and Investment Related Fees can be blurred when a single firm such as ABC is performing both services for a plan. While ABC does provide an estimate of how much of their total investment management fee is used to subsidize plan administration, it is difficult to confirm given this reflects an inter-company transfer.
- While individual components are reviewed, we compare the total costs of each provider for both investment management and plan administration as a way of benchmarking the reasonability of the fees charged.

Project Methodology

- Buck issued a Request For Information (RFI) requesting a price quote based on the plan's characteristics and cash flows without identifying XYZ as the client.
- Buck asked the providers to provide the following services:
 - Investment Management (based on 9/26/2008 asset levels)
 - Stock Fund Administration (Share Accounting of Assets)
 - Per Participant Recordkeeping Fees
 - Loan Initiation/Loan Maintenance Fees
 - Reporting and Compliance (Form 5500, Non-Discrimination Testing)
 - Domestic Relations Orders-Account Segregation

Project Methodology

The vendors were given the following statistics in the RFI based on information provided by XYZ:

Plan Type(s):	Union / Non-Union / Directors Plan
Current Plan Recordkeeper:	ABC
Current Plan Assets:	\$153,662,956 (Sept 2008)
ABC Assets:	\$65,385,492 (Sept 2008)
XYZ Stock Fund Assets:	\$36,379,689 (Sept 2008)
Total Annual Contributions:	\$14,526,433 (2007)
Number of EEs with Balances:	1885
Payrolls Submissions:	2-Bi-Weekly
Expected Service Level-Onsite:	20 annual meetings (one per site)
XYZ Stock Fund Administration:	Real Time Trading, Dividend Pass Through Election on ESOP

Project Methodology

- Based on Buck's knowledge of the retirement plan marketplace of firms specializing in the mid-size plan market (plans with between \$50M-\$500M in assets), copies of the RFI were issued to the following firms:
 - JP Morgan Chase (JPM)
 - Charles Schwab (SCH)
 - T Rowe Price (TRP)
 - Vanguard (VGI)
- While certainly not inclusive of all the firms focusing on mid-size plans, the respondents significant market presence gives Buck confidence that their pricing is by definition competitive with current trends.

Project Methodology

- Each firm was asked to bid assuming they could replace any of the current ABC Funds with their own proprietary products (or other options they believed would equal or exceed the current offerings). The other condition was to require active managed funds (as opposed to passive or indexed funds) in the Small Cap and International categories.

- ABC Managed Income Portfolio
- ABC Balanced
- ABC Target Date Funds
- ABC Contrafund
- ABC Spartan US Equity Index
- ABC Spartan Total Mkt Index
- *ABC Diversified International*
- *ABC Small Cap Independence*

- Vendors were to assume the existing non-ABC funds will be retained given all vendors receive similar compensation for providing record-keeping services from the outside fund managers. The only change permitted was to offer the same fund at a less expensive share class.

- Pimco Total Return - Admin
- Pimco High Yield - Admin
- AF Growth Fund Of America R4
- AF Washington Mutual R4
- Alger Mid-Cap Growth I
- Goldman Sachs Mid-Cap Value A
- Am Beacon Small Cap Value PA
- Oppenheimer Developing Mkts – A

Project Summary – RFI Results

CATEGORY	ABC	JPM	SCH	TRP	VGI
Stable Value	ABC Managed Income Portfolio	JPMorgan Stable Asset Income Fund (SAIF) – Select	Schwab Stable Value-Select	TRP Stable Value Trust	Vanguard Retirement Savings Trust VIII
Intermediate Bond	Pimco Total Return - Administrative	Pimco Total Return - Administrative	Pimco Total Return - Institutional	Pimco Total Return - Institutional	Pimco Total Return - Administrative
High Yield Bond	Pimco High Yield - Administrative	Pimco High Yield - Administrative	Pimco High Yield - Institutional	Pimco High Yield - Administrative	Pimco High Yield - Administrative
Large Growth	AF Growth Fund Of America R4	AF Growth Fund Of America R4	AF Growth Fund Of America R5	AF Growth Fund Of America R5	AF Growth Fund Of America R4
Large Growth	ABC Spartan US Equity Index	SSgA S&P 500 Flagship SL Series Fund – Class C	Schwab Instl Sel S&P 500	Vanguard 500 Index, Inv.	Vanguard 500 Index Fund Investor
Large Value	AF Washington Mutual R4	AF Washington Mutual R4	AF Washington Mutual R5	AF Washington Mutual R5	AF Washington Mutual R4
Large Blend	ABC Contrafund	American Funds Growth Fund Of America R4	American Funds Growth Fund Of America R5	TRP Growth Stock Fund	ABC Contrafund
Large Blend	Spartan Tot Mkt Idx	SSgA S&P 500 Flagship SL Series Fund – Class C	Schwab Instl S&P 500	ABC Spartan Tot Mkt Idx	Vanguard Total Stock Market Index Investor

Project Summary – RFI Results

CATEGORY	ABC	JPM	SCH	TRP	VGI
Moderate Allocation	ABC Balanced	Oakmark Equity & Income – I	Schwab Managed Ret Trust Fund CI II	TRP Retirement 2010 Fund	Vanguard Wellington Fund Investor
Target Date Maturity	ABC Target Date Funds	JPMorgan SmartRetirement Funds – Institutional	Schwab Managed Retirement Trust Fund CI II	TRP Retirement Funds	Vanguard Target Retirement Funds
Mid-Cap Growth	Alger Mid-Cap Growth I	Alger Mid-Cap Growth I	Alger Mid-Cap Growth I	Alger Mid-Cap Growth I	Alger Mid-Cap Growth I
Mid-Cap Value	Goldman Sachs Mid-Cap Value A	Goldman Sachs Mid-Cap Value – Institutional	Goldman Sachs Mid-Cap Value A	Goldman Sachs Mid-Cap Value A	Goldman Sachs Mid Cap Value Fund Institutional
Small Value	American Beacon Small Cap Value PA	American Beacon Small Cap Value PA	American Beacon Small Cap Value PA	American Beacon Small Cap Value PA	American Beacon Small Cap Value PA
Small Growth**	ABC Small Cap Independence	Wells Fargo Advantage Small Cap Growth – I	Wells Fargo Advantage Small Cap Growth–Adm	Loomis Sayles SCG, Inst	Vanguard Explorer Fund Investor
Foreign Large Growth**	ABC Diversified Intl	Artisan International	ABC Diversified Intl	AF EuroPacific Growth, R5	Vanguard International Growth Investor
Diversified Emerging Markets	Oppenheimer Developing Mkts - A	Oppenheimer Developing Mkts - A	Oppenheimer Developing Mkts - Y	Oppenheimer Developing Mkts - A	Oppenheimer Developing Mkts - A

Project Summary – Detailed Fund Comparison

		Ticker	Morningstar Rating	Expense Ratio	Assets	Annual Expense
VENDOR	Stable Value					
ABC	Fidelity Managed Income Portfolio	n/a	n/a	0.55%	\$21,160,458.00	\$ 116,382.52
JPM	JPMorgan Stable Asset Income Fund (SAIF)	n/a	n/a	0.30%	\$21,160,458.00	\$ 63,481.37
SCH	Schwab Stable Value-Select	n/a	n/a	0.46%	\$21,160,458.00	\$ 97,338.11
TRP	TRP Stable Value Trust	n/a	n/a	0.30%	\$21,160,458.00	\$ 63,481.37
VGI	Vanguard Retirement Savings Trust VIII	n/a	n/a	0.40%	\$21,160,458.00	\$ 84,641.83
VENDOR	Intermediate Bond					
ABC	Pimco Total Return - Administrative	PTRAX	5	0.71%	\$ 6,919,872	\$ 49,131.09
JPM	Pimco Total Return - Administrative	PTRAX	5	0.71%	\$ 6,919,872	\$ 49,131.09
SCH	Pimco Total Return Institutional	PTTRX	5	0.43%	\$ 6,919,872	\$ 29,755.45
TRP	Pimco Total Return Institutional	PTTRX	5	0.43%	\$ 6,919,872	\$ 29,755.45
VGI	Pimco Total Return - Administrative	PTRAX	5	0.71%	\$ 6,919,872	\$ 49,131.09
VENDOR	High Yield Bond					
ABC	Pimco High Yield - Administrative	PHYAX	5	0.80%	\$ 1,551,058	\$ 12,408.46
JPM	Pimco High Yield - Administrative	PHYAX	5	0.80%	\$ 1,551,058	\$ 12,408.46
SCH	Pimco High Yield - Institutional	PHIYX	5	0.55%	\$ 1,551,058	\$ 8,530.82
TRP	Pimco High Yield - Administrative	PHYAX	5	0.80%	\$ 1,551,058	\$ 12,408.46
VGI	Pimco High Yield - Administrative	PHYAX	5	0.80%	\$ 1,551,058	\$ 12,408.46

Project Summary – Detailed Fund Comparison

		Ticker	Morningstar Rating	Expense Ratio	Assets	Annual Expense
VENDOR	Large Growth					
ABC	AF Growth Fund Of America R4	RGAEX	5	0.65%	\$16,244,757.00	\$ 105,590.92
JPM	AF Growth Fund Of America R4	RGAEX	5	0.65%	\$16,244,757.00	\$ 105,590.92
SCH	AF Growth Fund Of America R5	RGAFX	5	0.35%	\$16,244,757.00	\$ 56,856.65
TRP	AF Growth Fund Of America R5	RGAFX	5	0.35%	\$16,244,757.00	\$ 56,856.65
VGI	AF Growth Fund Of America R4	RGAEX	5	0.65%	\$16,244,757.00	\$ 105,590.92

VENDOR	Large Growth					
ABC	Spartan US Eq Index	FUSEX	3	0.09%	\$ 1,788,464	\$ 1,609.62
JPM	SSgA S&P 500 Flagship SL Series- Class C	N/A	N/A	0.05%	\$ 1,788,464	\$ 894.23
SCH	Schwab Instl Sel S&P 500	ISLCX	3	0.10%	\$ 1,788,464	\$ 1,788.46
TRP	Vanguard 500 Index, Inv.	VFINX	3	0.15%	\$ 1,788,464	\$ 2,682.70
VGI	Vanguard 500 Index, Inv.	VFINX	3	0.15%	\$ 1,788,464	\$ 2,682.70

VENDOR	Large Value					
ABC	AF Washington Mutual R4	RWMEX	3	0.67%	\$ 10,297,608	\$ 68,993.98
JPM	AF Washington Mutual R4	RWMEX	3	0.67%	\$ 10,297,608	\$ 68,993.98
SCH	AF Washington Mutual R5	RWMFX	3	0.37%	\$ 10,297,608	\$ 38,101.15
TRP	AF Washington Mutual R5	RWMFX	3	0.37%	\$ 10,297,608	\$ 38,101.15
VGI	AF Washington Mutual R4	RWMEX	3	0.67%	\$ 10,297,608	\$ 68,993.98

Project Summary – Detailed Fund Comparison

		Ticker	Morningstar Rating	Expense Ratio	Assets	Annual Expense
VENDOR	Large Blend					
ABC	Fidelity Contrafund	FCNTX	5	0.89%	\$ 3,840,440	\$ 34,179.91
JPM	American Funds Growth Fund Of America R4	RGAEX	5	0.65%	\$ 3,840,440	\$ 24,962.86
SCH	American Funds Growth Fund Of America R5	RGAFX	5	0.35%	\$ 3,840,440	\$ 13,441.54
TRP	TRP Growth Stock Fund	PRGFX	4	0.67%	\$ 3,840,440	\$ 25,730.95
VGI	Fidelity Contrafund	FCNTX	5	0.89%	\$ 3,840,440	\$ 34,179.91
VENDOR	Large Blend					
ABC	Fidelity Spartan Tot Mkt Idx	FSTMX	3	0.10%	\$ 736,749	\$ 736.75
JPM	SSgA S&P 500 Flagship SL Series--Class C	N/A	N/A	0.05%	\$ 736,749	\$ 368.37
SCH	Schwab Instl Sel S&P 500	ISLCX	3	0.10%	\$ 736,749	\$ 736.75
TRP	Fidelity Spartan Tot Mkt Idx	FSTMX	3	0.10%	\$ 736,749	\$ 736.75
VGI	Vanguard Total Stock Market Index Investor	VTSMX	4	0.15%	\$ 736,749	\$ 1,105.12
VENDOR	Moderate Allocation					
ABC	Fidelity Balanced	FBALX	4	0.61%	\$ 7,454,427.59	\$ 45,472.01
JPM	Oakmark Equity & Income – I	OAKBX	5	0.83%	\$ 7,454,427.59	\$ 57,434.94
SCH	Schwab Managed Retirement Trust (Target Date)	N/A	4	0.69%	\$ 7,454,427.59	\$ 47,747.12
TRP	TRP Retirement 2010 Fund	TRRAX	4	0.61%	\$ 7,454,427.59	\$ 45,472.01
VGI	Vanguard Wellington Fund Investor	VWELX	5	0.27%	\$ 7,454,427.59	\$ 20,126.95

Project Summary – Detailed Fund Comparison

		Ticker	Morningstar Rating	Expense Ratio	Assets	Annual Expense
VENDOR	Target Date Maturity Funds					
ABC	Target Date Maturity Funds	Multiple Funds	4	0.83%	\$ 21,434,472	\$ 177,906.11
JPM	JPMorgan SmartRetirement Funds – Institutional	N/A	N/A	0.80%	\$ 21,434,472	\$ 171,475.77
SCH	Schwab Managed Retirement Trust (Target Date)	N/A	4	0.69%	\$ 21,434,472	\$ 147,897.85
TRP	TRP Retirement Funds	Multiple Funds	4&5	0.69%	\$ 21,434,472	\$ 147,897.85
VGI	Vanguard Target Retirement Funds	Multiple Funds	4-5	0.20%	\$ 21,434,472	\$ 42,868.94
VENDOR	Mid-Cap Growth					
ABC	Alger Mid-Cap Growth I	ALMRX	3	1.17%	\$ 2,743,569	\$ 32,099.76
JPM	Alger Mid-Cap Growth I	ALMRX	3	1.17%	\$ 2,743,569	\$ 32,099.76
SCH	Alger Mid-Cap Growth I	ALMRX	3	1.17%	\$ 2,743,569	\$ 32,099.76
TRP	Alger Mid-Cap Growth I	ALMRX	3	1.17%	\$ 2,743,569	\$ 32,099.76
VGI	Alger Mid-Cap Growth I	ALMRX	3	1.17%	\$ 2,743,569	\$ 32,099.76
VENDOR	Mid-Cap Value					
ABC	Goldman Sachs Mid-Cap Value A	GCMAX	3	1.16%	\$ 1,868,223	\$ 21,671.39
JPM	Goldman Sachs Mid-Cap Value – Institutional	GSMCX	4	0.76%	\$ 1,868,223	\$ 14,198.49
SCH	Goldman Sachs Mid-Cap Value A	GCMAX	3	1.16%	\$ 1,868,223	\$ 21,671.39
TRP	Goldman Sachs Mid-Cap Value A	GCMAX	3	1.16%	\$ 1,868,223	\$ 21,671.39
VGI	Goldman Sachs Mid Cap Value-Institutional	GSMCX	4	0.76%	\$ 1,868,223	\$ 14,198.49

Project Summary – Detailed Fund Comparison

		Ticker	Morningstar Rating	Expense Ratio	Assets	Annual Expense
VENDOR	Small Value					
ABC	American Beacon Small Cap Value PA	AVPAX	3	1.06%	\$ 3,145,220	\$ 33,339.33
JPM	American Beacon Small Cap Value PA	AVPAX	3	1.06%	\$ 3,145,220	\$ 19,803.16
SCH	American Beacon Small Cap Value PA	AVPAX	3	1.06%	\$ 3,145,220	\$ 19,803.16
TRP	American Beacon Small Cap Value PA	AVPAX	3	1.06%	\$ 3,145,220	\$ 33,339.33
VGI	American Beacon Small Cap Value PA	AVPAX	3	1.06%	\$ 3,145,220	\$ 33,339.33
VENDOR	Small Growth					
ABC	Fidelity Small Cap Independence	FDSCX	4	0.99%	\$ 1,344,290	\$ 13,308.47
JPM	Wells Fargo Advantage Small Cap Growth – I	WFSIX	5	0.91%	\$ 1,344,290	\$ 12,233.04
SCH	Wells Fargo Advantage Small Cap Growth – Admin	WMNIX	5	1.21%	\$ 1,344,290	\$ 16,265.91
TRP	Loomis Sayles SCG, Inst	LSSIX	3	1.23%	\$ 1,344,290	\$ 16,534.77
VGI	Vanguard Explorer Fund Investor	VEXPX	3	0.41%	\$ 1,344,290	\$ 5,511.59
VENDOR	Large Growth International					
ABC	Fidelity Diversified Intl	FDIVX	4	0.93%	\$ 9,414,656	\$ 87,556.30
JPM	Artisan International	ARTIX	4	1.21%	\$ 9,414,656	\$ 113,917.34
SCH	Fidelity Diversified Intl	FDIVX	4	0.93%	\$ 9,414,656	\$ 87,556.30
TRP	AF EuroPacific Growth, R5	RERFX	5	0.55%	\$ 9,414,656	\$ 51,780.61
VGI	Vanguard International Growth Investor	VWIGX	4	0.51%	\$ 9,414,656	\$ 48,014.75
VENDOR	Diversified Emerging Markets					
ABC	Oppenheimer Developing Markets - A	ODMAX	5	1.32%	\$ 7,339,004	\$ 96,874.85
JPM	Oppenheimer Developing Markets - A	ODMAX	5	1.32%	\$ 7,339,004	\$ 96,874.85
SCH	Oppenheimer Developing Markets - Y	ODVYX	5	0.94%	\$ 7,339,004	\$ 68,986.64
TRP	Oppenheimer Developing Markets - A	ODMAX	5	1.32%	\$ 7,339,004	\$ 96,874.85
VGI	Oppenheimer Developing Markets - A	ODMAX	5	1.32%	\$ 7,339,004	\$ 96,874.85

Project Summary – Transaction Fee Schedule

CATEGORY	VOLUME	ABC	JPM	SCH	TRP	VGI
Per Participant Recordkeeping: Union Plan (except where noted)	329 ptps	\$ -	\$ -	0.13% of assets	\$ -	\$ 75
Per Participant Recordkeeping: Non-Union Plan	1531 ptps	\$ -	\$ -	\$ -	\$ -	\$ 75
Fixed Fee Recordkeeping: Directors Plan		\$ 600	\$ 10,000	\$ 15,000	\$ -	\$ 15,000
Stock Administration (% of assets)	\$36.37M	0.01%	.032%-NonUnion 0.13%-Directors 0.45%-Union	0.10%	0.00%	0.15%-\$25M, 0.10%-Next \$25M
Loan Initiation		\$15 per loan	\$ -	\$75 per loan	\$50 per loan	\$25 per loan
Loan Administration		\$35 per loan	\$ -	\$ -	\$ -	\$50 per loan
QDRO Account Division (per order)	5 (estimate)	\$ 300	\$ 500	\$ 100	\$ -	\$ 50
Compliance Testing And Regulatory Reporting		\$ 4,375	\$ 3,000	\$ -	\$ -	\$ 7,500
On Site Employee Meetings*	20 per Year	\$ -	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000

*Vendors included 5 meetings in their quote. Assume additional days needed at \$1000 per day to cover all locations.

Project Summary – Share Accounting Methodology

VENDOR	SHARE ACCOUNTING METHODOLOGY
ABC	<p>Real time (brokerage) trading for inter-fund exchanges. Participants can specify the type of order (market, day limit, good till cancelled, etc.) and it is sent to the plan's broker during normal business hours.</p> <p>Contributions in good order are batched together and processed following business day at the volume weighted average share price for the stock. No netting of trades with other transactions. Loans and withdrawals requested before the NYSE close will be processed following business day. Participant's will receive the volume weighted average sale price for all trades and there are no netting of trades with other transactions.</p>
JPM	<p>Transactions can be requested until 4 PM ET. The net shares for all activity is calculated each night and traded the following morning. The activity posted to participant accounts at the end of the day uses the actual transaction price of the netted trade.</p>
SCH	<p>Transactions can be requested until 4 PM ET. The net shares for all activity is calculated each night and traded the following morning. The activity posted to participant accounts at the end of the day uses the actual transaction price of the netted trade.</p>
TRP	<p>Transactions can be requested until 4 PM ET. The net shares for all activity is calculated each night and traded the following morning. The activity posted to participant accounts at the end of the day uses the actual transaction price of the netted trade.</p>
VGI	<p>VGI imposes a daily trading cutoff time—usually 1 p.m., ET each business day. At that time, The net shares for all activity is calculated and traded before NYSE Close. The participant transaction price is a composite of the trade price and the previous day's adjustments, based on the closing values of the stock.</p>

Project Summary – Comparison of Total Annual Fees

CATEGORY	ABC	JPM	SCH	TRP	VGI
Stable Value	\$ 116,383	\$ 63,481	\$ 97,338	\$ 63,481	\$ 84,642
Intermediate Bond	\$ 49,131	\$ 49,131	\$ 29,755	\$ 29,755	\$ 49,131
High Yield Bond	\$ 12,408	\$ 12,408	\$ 8,531	\$ 12,408	\$ 12,408
Large Growth	\$ 105,591	\$ 105,591	\$ 56,857	\$ 56,857	\$ 105,591
Large Growth	\$ 1,610	\$ 894	\$ 1,788	\$ 2,683	\$ 2,683
Large Value	\$ 68,994	\$ 68,994	\$ 38,101	\$ 38,101	\$ 68,994
Large Blend	\$ 34,180	\$ 24,963	\$ 13,442	\$ 25,731	\$ 34,180
Large Blend	\$ 737	\$ 368	\$ 737	\$ 737	\$ 1,105
Moderate Allocation	\$ 45,472	\$ 57,435	\$ 47,747	\$ 45,472	\$ 20,127
Target Date Maturity Funds	\$ 177,906	\$ 171,476	\$ 147,898	\$ 147,898	\$ 42,869
Mid-Cap Growth	\$ 32,100	\$ 32,100	\$ 32,100	\$ 32,100	\$ 32,100
Mid-Cap Value	\$ 21,671	\$ 14,198	\$ 21,671	\$ 21,671	\$ 14,198
Small Value	\$ 33,339	\$ 19,803	\$ 19,803	\$ 33,339	\$ 33,339
Small Growth	\$ 13,308	\$ 12,233	\$ 16,266	\$ 16,535	\$ 5,512
Large Growth International	\$ 87,556	\$ 113,917	\$ 87,556	\$ 51,781	\$ 48,015
Diversified Emerging Markets	\$ 96,875	\$ 96,875	\$ 68,987	\$ 96,875	\$ 96,875
Investment Management Fees	\$ 897,261	\$ 843,869	\$ 688,577	\$ 675,424	\$ 651,769
Recordkeeping: Union Plan	\$ -	\$ -	\$ 2,671	\$ -	\$ -
Recordkeeping: Non-Union Plan	\$ -	\$ -	\$ -	\$ -	\$ -
Recordkeeping: Directors Plan	\$ 600	\$ 10,000	\$ 15,000	\$ -	\$ 15,000
Stock Administration	\$ 3,638	\$ 26,509	\$ 36,380	\$ -	\$ 48,880
Loan Initiation	\$ 1,645	\$ 2,350	\$ 3,525	\$ 2,350	\$ 2,350
Loan Administration	\$ 2,445	\$ -	\$ -	\$ -	\$ 4,075
QDRO Account Segregation	\$ 1,500	\$ 2,500	\$ 500	\$ -	\$ 250
Compliance Testing And Reporting	\$ 8,750	\$ 3,000	\$ -	\$ -	\$ 7,500
On Site Employee Meetings	\$ -	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000
Total Administration Fees	\$ 18,578	\$ 59,359	\$ 73,075	\$ 17,350	\$ 93,055
Total Fees	\$ 915,839	\$ 903,227	\$ 761,652	\$ 692,774	\$ 744,823
% DIFFERENCE FROM FIDELITY		-1.377%	-16.836%	-24.356%	-18.673%

Project Summary – Comments

- While Buck was not engaged to perform a detailed investment or administrative review as part of this engagement, we believe the offerings are similar enough to compare the cost of each bid on an equivalent basis.
- T Rowe Price, Schwab, and Vanguard all bid at least 15% percent below the current ABC costs. And while T Rowe Price is by far the lowest, we question their very low pricing for administrative services given the relative complexities of your program. We suspect their actual fees would be comparable to the Schwab and Vanguard quotes.
- None of the other providers offers a “real time” trading capability for Company Stock Fund shares comparable to ABC’s. Also, ABC does make more of an attempt to segregate Stock Fund Trades between buys (contributions) and sells (distributions) while the others net all activity. In theory, ABC’s method will allow the plan to obtain better execution pricing. While there are some slight differences between the methodologies of the other providers, their company stock trading can be fairly said to trail ABC in this area. XYZ must determine if this gap prevents further consideration of competing bids.

Project Summary – Comments

- We would recommend meeting with ABC and asking for fee concessions to bring their revenues more in line with the other providers. Recommended areas of focus could include:
 - Waiving all recordkeeping fees
 - Considering moving funds from a retail investor to institutional class. This may include offering ABC's lower cost shares where available
 - Creating an "ERISA Budget" to apply to valid plan expenses such as investment consulting, participant education, communications, etc.
- We would also recommend meeting with at least one of the providers among the low bidders to determine if ABC's fee differential is justified by the quality of services provided to participants. If the administrative services are comparable, and XYZ can accept less functionality in stock trading, XYZ might want to undertake an in-depth analysis of their proposed plan investments as part of evaluating their overall service offering.

QUESTIONS?