



RETIREMENT PLANS

Trends & Features

January 2022

Presented by: Frank Wan, Senior Vice President
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BIOGRAPHY



**Frank Wan, Senior Vice President
Burgess Chambers & Associates, Inc.**

Mr. Frank Wan is a senior investment consultant responsible for economic research, asset allocation, plan design and investment consulting. Mr. Wan is the Chair of the Investment Committee, and his research has been published by Investor Business Daily and Forbes. Prior to joining BCA, Frank was an equity analyst for a market-neutral hedge fund, where he was responsible for financial modeling. Frank received his undergraduate degree from Stetson University and MBA from Rollins College. Frank is a frequent speaker at industry conferences, including FPPTA, FGFOA, FSFOA, and FASBO.

AGENDA

Retirement Basics

- Employee Education
- Income Replacement
- Start Early

Plan features

- Default Investment
- Traditional vs. Designated Roth 457 Contributions
- Impact of Loans
- Fee equalization
- Proprietary vs Open Architecture
- Self-Directed Brokerage

Industry Trends

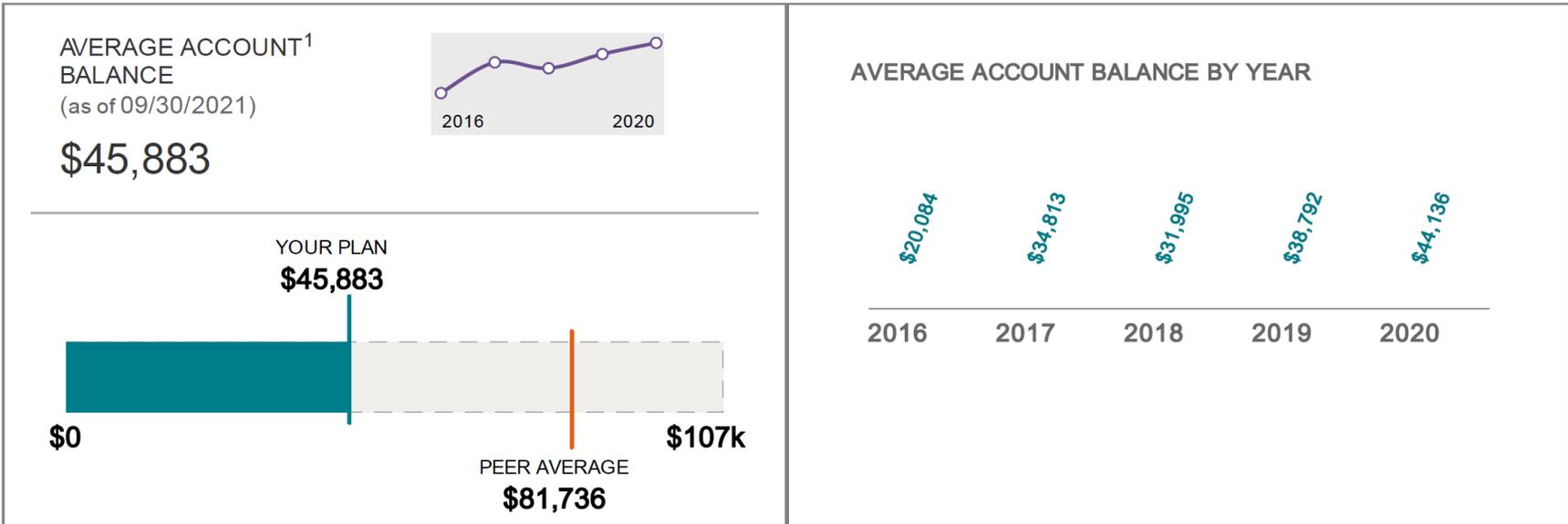
- Data Aggregation
- SECURE Act
- Case Studies

RETIREMENT BASICS

EMPLOYEE EDUCATION

CONTRIBUTIONS & INVESTMENTS

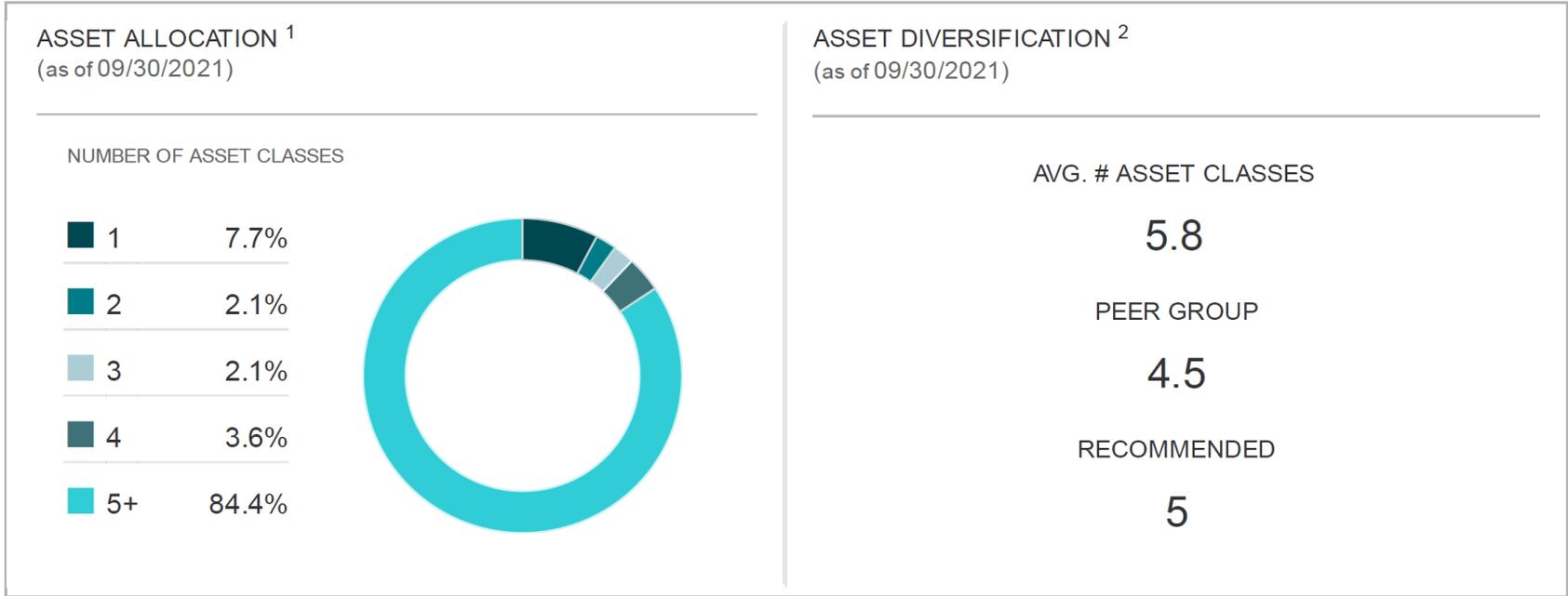
What your participants are contributing



Employers can greatly influence employee behavior. Especially early in someone’s career. Small changes like “dollar” vs. “percent” contributions could greatly impact an employee’s cumulative savings.

EMPLOYEE EDUCATION

How your participants are invested



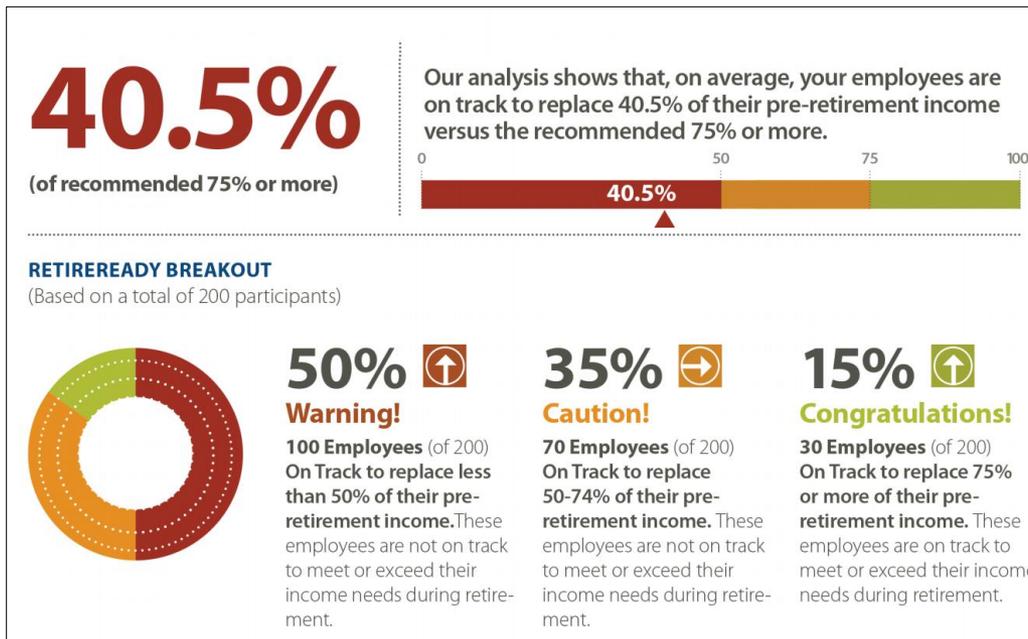
Asset allocation is the primary driver of investment return variability.
Younger employees should be encouraged to take on age-appropriate risks.

INCOME REPLACEMENT

As a rule of thumb, individuals should plan for an income replacement rate of 75% of their gross preretirement income in order to maintain their current lifestyle in retirement.

Defined contribution recordkeepers today have the ability to aggregate participant data (pension, social security, 401, 457, IRA and personal savings), and employers are able to capture a “scorecard” similar to the one illustrated below.

Plan Sponsor Scorecard



FRS BENEFIT CALCULATOR

Illustrative Example:

If you have 13 years of service and your Average Final Compensation is \$34,549.

- Step 1: $13 \times 1.6\% = 0.208$
- Step 2: $\$34,549 \times 0.208 = \$7,186$ Annual Option 1 Retirement Benefit

Cost of Living Increase [Pre 2011]:

- Step 1: $13/30 = 0.433$
- Step 2: $0.433 \times 3\% = 1.3\%$ Annual Cost of Living Increase
- Step 3: $\$7,186 \times 1.3\% = \93.42 Annual Cost of Living Increase

Income Replacement Ratio:

- Step 1: $\$7,186 / \$34,549 = 21\%$ Income Replacement

HOW MUCH DO YOU NEED?

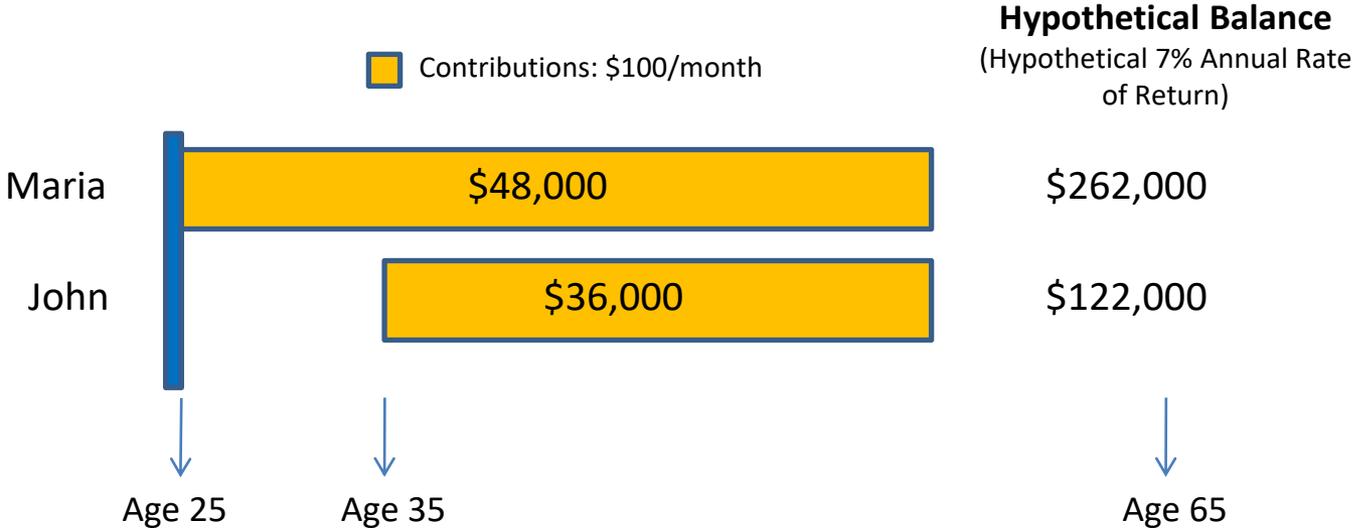
In planning for your retirement, it is important to know the percentage of your salary that will not be replaced through Social Security and employer-sponsored retirement plans. This amount creates a gap in your income replacement.

Calculating Your Gap

Steps	Action	Sample Calc.	Your Calc.
1	Percentage of income needed in retirement	85%	
2	Social Security (estimated)	40%	
3	Subtract 2 from 1	45%	
4	Retirement Plan(s)	30%	
5	Subtract 4 from 3 - replacement gap	15%	

START EARLY

Time Value of Money



Note: This is a hypothetical example and does not represent the performance of any particular investment, and does not take into consideration state and federal income taxes. Actual results will vary.

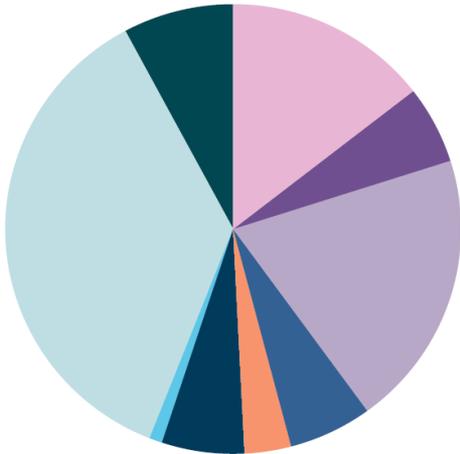
PLAN FEATURES

DEFAULT INVESTMENT OPTION



Asset allocation

(as of 09/30/2021)



ASSET CLASS	YOUR PLAN	PEER GROUP	DIFFERENCE
Mid cap	7.8%	4.9%	3.0% ●
Large cap	36.2%	20.6%	15.6% ●
Balanced	0.9%	1.6%	-0.7% ●
Bonds	5.9%	4.9%	0.9% ●
Short term	0.0%	0.7%	-0.7% ●
SDO	0.0%	0.2%	0.0%
Specialty	0.0%	0.9%	0.0%
Loan	3.3%	0.0%	3.3% ●
Asset allocation	5.9%	13.6%	-7.7% ●
International	19.9%	6.5%	13.4% ●
Small cap	5.6%	3.5%	2.1% ●
Fixed assets and cash	14.5%	42.5%	-28.1% ●
Fixed Indexed Annuity	0.0%	0.1%	0.0%

DEFAULT INVESTMENT OPTION

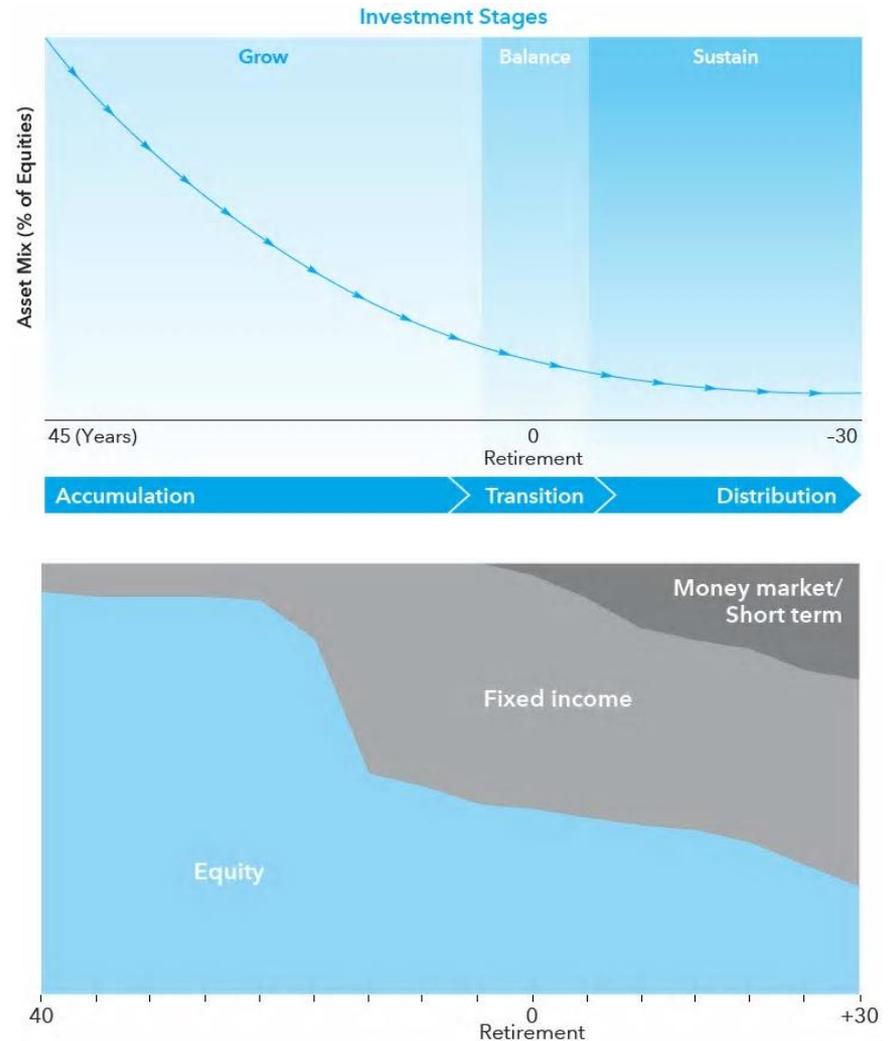
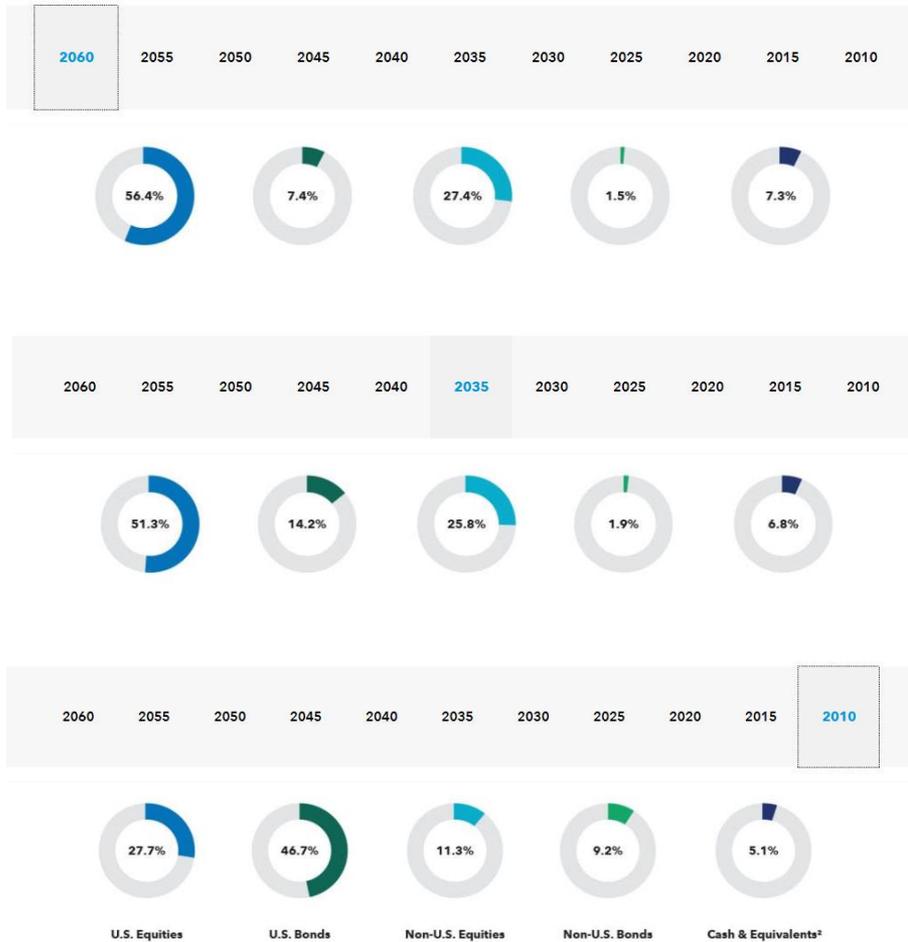
VRU #	Variable Investment Options	Morningstar Category	Average Annual Return				Since Inception	Inception Date	Gross Expense Ratio
			YTD	1 Year	5 Year	10 Year			
107	Fixed Assets/Cash Invsco ST Invmt Trsry Inst (a)(c) (*) CURRENT YIELD: -0.64%	Money Market-Taxable	-0.30%	-0.30%	0.37%	-0.13%	2.91%	04/12/84	0.21%
373	NW Mny Mkt Prm (a)(c) (#) CURRENT YIELD: -0.40%	Money Market-Taxable	-0.18%	-0.18%	0.32%	-0.04%	3.75%	03/03/80	0.57%

FEE DISCLOSURES

The Standardized illustration represents performance based on a \$1,000 hypothetical investment, and reflects the deduction of the following fees:

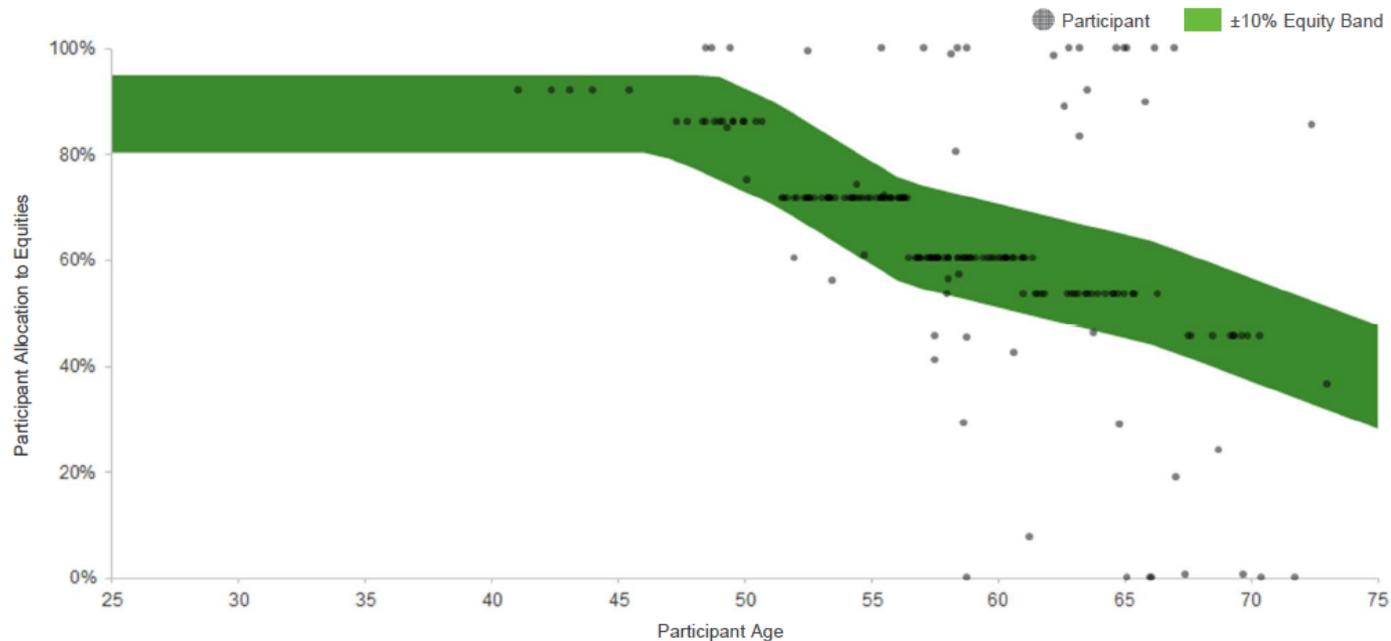
* denotes a Fee of 0.65% # denotes a Fee of 0.40% + denotes a Fee of 0.25%

DEFAULT INVESTMENT OPTION





DEMOGRAPHIC GLIDEPATH



Percent of Participants	Age 25 - 35	35 - 45	45 - 55	55 - 65	65 - 75	Overall
... In Age Range	0%	2%	26%	55%	15%	100%
... Inside 10% Equity Band	N/A	100%	88%	80%	46%	77%
... Invested 0% in Equities	N/A	0%	0%	1%	18%	3%
... Invested 100% in Equities	N/A	0%	4%	7%	14%	7%

This page includes all active and inactive participants.
 See the 'Important Additional Information' slide for more information.
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ROTH IRA VS. ROTH 457(B)

You may be eligible for both; Roth IRA may be subject to income limitations. Separately, the contribution limit for a 457 plan is \$20,500 and an IRA is \$6,000. Illustrative comparisons below:

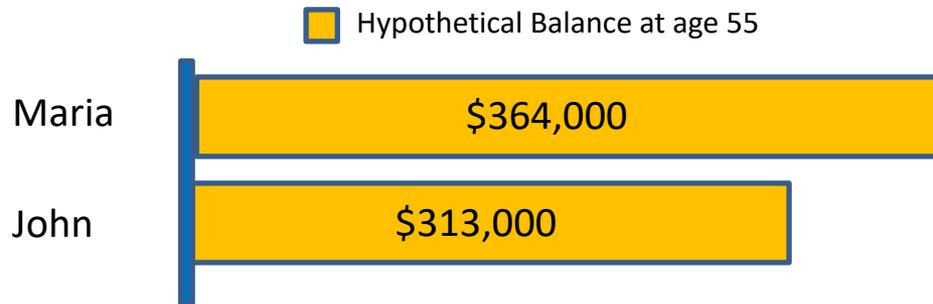
Feature	Roth 457(b) Account	Roth IRA
Roth Contributions	After-tax dollars through convenient payroll deduction	Same as Roth 457(b)
Investment Growth	Accumulates tax-free	Same as Roth 457(b)
Loans Allowed	No	No
Distributions Available Anytime	No, only at severance from employment, age 70 ½, unforeseeable emergency or de minimis amount.	Yes
Basis Only Distributions	No, pro-rata rule applies.	Yes
Qualified Distribution	Earnings are tax free	Earnings are tax free
Qualified Distributions Defined	Account held for at least five years and recipient is at least age 59½ and severed from service, dead or disabled.	Same as Roth 457(b) except severance from employment rule does not apply.
Taxation of Earnings - Nonqualified Distribution	Taxable, but not subject to 10% early withdrawal penalty if under age 59 ½.	Taxable and 10% early withdrawal penalty may apply if under age 59 ½.
Required Minimum Distributions	Yes, later of age 72 or severance of employment.	Not during owner's lifetime, just beneficiary.
Rollovers In	Yes from other Roth plan accounts, but not Roth IRA.	Yes from Roth plan accounts and Roth IRAs

* There may be other differences between Roth 457(b) accounts and Roth IRAs. Each individual must determine which is best for their unique circumstances.



LOANS

For Emergency Use Only



Assumptions:

Maria took no loans or hardship withdrawals; 10% withheld

John took a series of 10 loans totaling \$117,000; 13% withheld

- Cost of loan is typically Prime + 1%, set-up (\$50) and maintenance fees (\$50).
- Loan interest payments face double taxation; after-tax dollars then get taxed again at retirement (withdrawal).
- Missing payments can incur taxes and penalties; early withdrawal (59 ½).
- When employees leave, they may be required to repay loans in a short period of time or the loan will become a distribution.
- The time your money is out of your account is the time that the interest is not compounding and working for you.
- Even with a higher contribution rate (13%), John accumulated much less than Maria due to frequent loans.
- Loans impact may alter the portfolio allocation.

FEE TRANSPARENCY / AIG

Fund	Management Fees	12(b)-1 Fees	Other Expenses	Acquired Fund Fees and Expenses	Total Fund Expenses	Expense Waivers or Reimbursements	Net Fund Expenses	Net Separate Account Fee	Total Net Variable Account Option Fees	Net Compensation Paid to VALIC (and affiliates)
LARGE CAP CORE [0076]	0.70	0.00	0.14	0.00	0.84	0.00	0.84	0.80	1.64	1.19
LARGE CAPITAL GROWTH [0079]	0.64	0.00	0.11	0.00	0.75	0.00	0.75	0.80	1.55	1.14
MID CAP INDEX FUND [0004]	0.26	0.00	0.09	0.00	0.35	0.00	0.35	0.80	1.15	1.12
MID CAP STRATEGIC GWTH [0083]	0.70	0.00	0.12	0.00	0.82	0.00	0.82	0.80	1.62	1.15
NASDAQ-100(R) INDEX FUND [0046]	0.39	0.00	0.15	0.00	0.54	0.01	0.53	0.80	1.33	1.24
SCIENCE & TECHNOLOGY FUND [0017]	0.87	0.00	0.10	0.00	0.97	0.00	0.97	0.80	1.77	1.16
SM CAP AGGRESSIVE GWTH [0086]	0.85	0.00	0.15	0.00	1.00	0.01	0.99	0.80	1.79	1.15
SMALL CAP FUND [0018]	0.89	0.00	0.14	0.00	1.03	0.10	0.93	0.80	1.73	1.07
SMALL CAP INDEX FUND [0014]	0.29	0.00	0.11	0.00	0.40	0.00	0.40	0.80	1.20	1.15
SMALL CAP SPECIAL VALUE FUND [0084]	0.75	0.00	0.12	0.00	0.87	0.00	0.87	0.80	1.67	1.08
SMALL MID GROWTH FUND [0085]	0.85	0.00	0.16	0.01	1.02	0.07	0.95	0.80	1.75	1.19
STOCK INDEX FUND [0010]	0.24	0.00	0.10	0.00	0.34	0.00	0.34	0.80	1.14	1.10
VALUE FUND [0074]	0.78	0.00	0.16	0.00	0.94	0.09	0.85	0.80	1.65	1.15

FEE TRANSPARENCY / VOYA

Fund No.	Fund Name	(A) Management fees	(B) 12b-1 fees	(C) Other Expenses	(D) Gross Fund Expense (A+B+C)	(E) Waivers and Adjustments	(F) Net Fund Expenses (D+E)	Prospectus Date	(G) M&E Charge	(H) Total Investment Expense (F+G)	(I) M&E Charge (Derived From Column G)	(J) Sub T/A Expense Reimbursement	(K) 12b-1 Fee	(L) Service Fee	(M) Total Revenue to Voya (I+J+K+L)
	Large Cap Value														
1208	American Funds Fundamental Investors® - Class R-4*	0.24%	0.25%	0.16%	0.65%	N/A	0.65%	03/01/2018	1.25%	1.90%	1.25%	0.10%	0.25%	0.00%	1.60%
819	American Funds Washington Mutual Investors FundSM - R-4*	0.23%	0.25%	0.16%	0.64%	N/A	0.64%	07/01/2018	1.25%	1.89%	1.25%	0.10%	0.25%	0.00%	1.60%
1428	Columbia Large Cap Value Fund - Advisor Class*	0.63%	0.00%	0.13%	0.76%	N/A	0.76%	10/01/2017	1.25%	2.01%	1.25%	0.25%	0.00%	0.00%	1.50%
108	Fidelity VIP Equity-Income Portfolio - Initial Class*	0.44%	N/A	0.12%	0.56%	N/A	0.56%	04/30/2018	1.25%	1.81%	1.25%	0.21%	0.00%	0.00%	1.46%
079	Invesco V.I. Core Equity Fund - Series I Shares*	0.61%	N/A	0.21%	0.82%	-0.01%	0.81%	04/30/2018	1.25%	2.06%	1.25%	0.25%	0.00%	0.00%	1.50%
1120	Neuberger Berman Sustainable Equity Fund - Trust Class*	0.87%	0.10%	0.05%	1.02%	N/A	1.02%	03/13/2018	1.25%	2.27%	1.25%	0.25%	0.10%	0.00%	1.60%
001	Voya Growth and Income Portfolio - Class I*	0.60%	N/A	0.03%	0.63%	-0.05%	0.58%	05/01/2018	1.25%	1.83%	1.25%	0.30%	0.00%	0.00%	1.55%
035	Voya Index Plus LargeCap Portfolio - Class I*	0.45%	N/A	0.03%	0.48%	N/A	0.48%	05/01/2018	1.25%	1.73%	1.25%	0.30%	0.00%	0.00%	1.55%
1213	Voya Large Cap Value Portfolio - Institutional Class*	0.72%	N/A	0.03%	0.75%	-0.11%	0.64%	05/01/2018	1.25%	1.89%	1.25%	0.30%	0.00%	0.00%	1.55%
1557	Voya Russell™ Large Cap Index Portfolio - Class I*	0.35%	N/A	0.03%	0.38%	-0.02%	0.36%	05/01/2018	1.25%	1.61%	1.25%	0.30%	0.00%	0.00%	1.55%

FEE TRANSPARENCY / MISSIONSQUARE

Fund ¹	Morningstar Category ¹⁶	Quarter-End Assets	Plan Expenses		ICMA-RC Gross Revenue			
			Net Expense Ratio	Estimated Expense Cost	Record Keeping ³	Estimated Annual Revenue	Investment Advisory ^{**}	Estimated Annual Revenue
U.S. Stock								
Vantagepoint Equity Income R1 ²⁴	Large Value	\$34,458	1.26%	\$434	0.80%	\$276	0.20%	\$69
VT Invesco Diversified Div R1 ²⁴	Large Value	\$0	1.13%	\$0	0.80%	\$0	0.00%	\$0
VT MFS® Value R1 ²⁴	Large Value	\$1,412	1.14%	\$16	0.80%	\$11	0.00%	\$0
Vantagepoint 500 Stock Idx R1	Large Blend	\$169,020	0.94%	\$1,589	0.80%	\$1,352	0.10%	\$169
Vantagepoint Broad Mkt Idx R1	Large Blend	\$320,914	0.94%	\$3,017	0.80%	\$2,567	0.10%	\$321
Vantagepoint Growth & Inc R1	Large Blend	\$19,800	1.23%	\$244	0.80%	\$158	0.20%	\$40
VT Parnassus Core Equity R1	Large Blend	\$5,976	1.42%	\$85	0.80%	\$48	0.00%	\$0
VT Oppenheimer Main Street R1	Large Blend	\$9,427	1.24%	\$117	0.80%	\$75	0.00%	\$0
Vantagepoint Growth R1 ²⁴	Large Growth	\$12,320	1.31%	\$161	0.80%	\$99	0.20%	\$25
VT Contrafund® R1 ²⁴	Large Growth	\$151,231	1.29%	\$1,951	0.80%	\$1,210	0.00%	\$0
VT T Rowe Price® Growth Stock R1 ^{11,24}	Large Growth	\$31,040	1.47%	\$456	0.95%	\$295	0.00%	\$0
Vantagepoint Select Value R1 ^{22,24}	Mid-Cap Value	\$1,562	1.53%	\$24	0.80%	\$12	0.20%	\$3
VT Victory Sycamore Est Value R1 ^{22,24}	Mid-Cap Value	\$36,789	1.15%	\$423	0.80%	\$294	0.00%	\$0
Vantagepoint Agg Opps R1 ^{22,24}	Mid-Cap Growth	\$147	1.31%	\$2	0.80%	\$1	0.20%	\$0
VT AMG TimesSquare Mid Cap Gr R1 ^{22,24}	Mid-Cap Growth	\$3,434	1.73%	\$59	0.80%	\$27	0.00%	\$0
VT Carillon Eagle Mid Cap Gr R1 ^{22,24}	Mid-Cap Growth	\$8,082	1.34%	\$108	0.80%	\$65	0.00%	\$0
VT LSV Small Cap Value R1 ^{13,24}	Small Value	\$6,655	1.63%	\$108	0.80%	\$53	0.00%	\$0
Vantagepoint Md/Sm Co Idx R1 ¹³	Small Blend	\$243,400	0.95%	\$2,312	0.80%	\$1,947	0.10%	\$243
Vantagepoint Discovery R1 ¹³	Small Blend	\$14,917	1.30%	\$194	0.80%	\$119	0.20%	\$30
VT Oppenheimer Discovery R1 ^{13,24}	Small Growth	\$1,708	1.42%	\$24	0.80%	\$14	0.00%	\$0
International/Global Stock								
VT ClearBridge Intl Value R1 ¹⁴	Foreign Large Value	\$887	1.45%	\$13	0.95%	\$8	0.00%	\$0
Vantagepoint International R1 ¹⁴	Foreign Large Blend	\$5,788	1.54%	\$89	0.80%	\$46	0.20%	\$12
Vantagepoint Ovrseas Eq Idx R1 ¹⁴	Foreign Large Blend	\$121,459	1.01%	\$1,227	0.80%	\$972	0.10%	\$121
VT Diversified International R1 ¹⁴	Foreign Large Growth	\$18,777	1.49%	\$280	0.80%	\$150	0.00%	\$0
Vantagepoint Emerging Mkts R1 ¹⁴	Diversified Emerging Mkts	\$5,572	1.70%	\$95	0.80%	\$45	0.28%	\$16

FEE TRANSPARENCY / NATIONWIDE

Tickers	Investment Option	Prospectus Gross Expense Ratio	Fund Management Fee	12b-1 Fee	Other Expenses	Prospectus Net Expense Ratio	Nationwide Administrative Fee	Total Expense to Participants
NSDCX	Nationwide Inv Dest Mod Cnsv Svc	0.89%	0.13%	0.25%	0.51%	0.89%	0.25%	1.14%
NSDMX	Nationwide Inv Dest Mod Svc	0.88%	0.13%	0.25%	0.50%	0.88%	0.25%	1.13%
NDMSX	Nationwide Inv Dest Mod Agrsv Svc	0.92%	0.13%	0.25%	0.54%	0.92%	0.25%	1.17%
NDASX	Nationwide Inv Dest Agrsv Svc	0.90%	0.13%	0.25%	0.52%	0.90%	0.25%	1.15%
CSEIX	Cohen & Steers Real Estate Securities A	1.15%	0.69%	0.25%	0.21%	1.15%	0.40%	1.55%
RNWEX	American Funds New World R4	0.98%	0.53%	0.25%	0.20%	0.98%	0.40%	1.38%
MINGX	MFS International Value R3	0.98%	0.61%	0.25%	0.12%	0.98%	0.40%	1.38%
GIAX	Nationwide International Index A	0.71%	0.24%	0.25%	0.22%	0.71%	0.40%	1.11%
AIEVX	Invesco International Growth R5	1.00%	0.83%	0.00%	0.16%	0.99%	0.40%	1.39%
OPPAX	Oppenheimer Global A	1.12%	0.65%	0.25%	0.22%	1.12%	0.40%	1.52%
GMRAX	Nationwide Small Cap Index A	0.69%	0.19%	0.25%	0.23%	0.67%	0.40%	1.07%
NVIT	NVIT Multi-Manager Small Company I	1.17%	0.86%	0.00%	0.29%	1.15%	0.40%	1.55%
NWSIX	Nationwide Small Company Growth InSvc	1.20%	0.84%	0.00%	0.35%	1.19%	0.40%	1.59%
NBGEX	Neuberger Berman Genesis Tr	1.10%	1.06%	0.00%	0.04%	1.10%	0.40%	1.50%
NWUSX	Nationwide US Small Cap Value Instl Svc	1.25%	0.84%	0.00%	0.41%	1.25%	0.40%	1.65%
JAMCX	JPMorgan Mid Cap Value A	1.25%	0.65%	0.25%	0.34%	1.24%	0.40%	1.64%
GMXAX	Nationwide Mid Cap Market Idx A	0.68%	0.20%	0.25%	0.22%	0.67%	0.40%	1.07%
WFDDX	Wells Fargo Discovery Admin	1.13%	0.73%	0.00%	0.40%	1.13%	0.40%	1.53%
AIVSX	American Funds Invmt Co of Amer A	0.58%	0.24%	0.24%	0.10%	0.58%	0.65%	1.23%
MIIEX	Nationwide Institutional Service	0.71%	0.53%	0.00%	0.14%	0.67%	0.40%	1.07%
GRISX	Nationwide S&P 500 Index Instl Svc	0.42%	0.12%	0.00%	0.30%	0.42%	0.40%	0.82%
SSPIX	SEI S&P 500 Index F (SIMT)	0.54%	0.03%	0.00%	0.22%	0.25%	0.65%	0.90%
FCNIX	Fidelity® Contrafund	0.74%	0.60%	0.00%	0.14%	0.74%	0.65%	1.39%
FOCPX	Fidelity® OTC	0.88%	0.72%	0.00%	0.16%	0.88%	0.65%	1.53%
NWLCG	Nationwide Large Cap Growth Portfolio	0.95%	0.50%	0.00%	0.45%	0.95%	0.40%	1.35%
TRPXX	Invesco Shrt-Trm Inv Treasury Instl	0.20%	0.15%	0.00%	0.03%	0.18%	0.65%	0.83%
MIFXX	Nationwide Government Money Market Prime	0.59%	0.30%	0.00%	0.29%	0.59%	0.40%	0.99%
Morley	Morley Stable Value Fund	0.87%	0.87%	0.00%	0.00%	0.87%	0.40%	1.27%
Fixed	Nationwide Fixed Account	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

FEE EQUALIZATION

Investments	AIG/VALIC Platform	VOYA Platform	NATIONWIDE Platform	ICMA RC Platform	OPEN ARCH. Platform
Large Cap Index:	VALIC Stock Index	VY Stock Index	NW 500 Index	VT 500 Index	Fidelity 500 Index
<i>Expense Ratio:</i>	<i>1.10%</i>	<i>1.55%</i>	<i>0.90%</i>	<i>0.94%</i>	<i>0.015%</i>
<i>5-Year Return:</i>	<i>16.32%</i>	<i>15.87%</i>	<i>16.52%</i>	<i>16.48%</i>	<i>17.41%</i>

Note:

- Not all index funds are created equal, even though the underlying investments are identical.
- Proprietary investments should be evaluated carefully.
- Asset management fees, administrative and M&E expenses should be understood by plan sponsors.

Fee equalization:

- Addresses the equity of the administrative fees being charged to participants.
- Places a cap on recordkeeper revenues (i.e. \$50/participant or 0.2% on assets).
- Mandates fee transparency and disclosures.

SELF-DIRECTED BROKERAGE

Typically offered through Schwab, TD Ameritrade or in-house brokerage services.

- Offers access to additional investments.
- Annual maintenance fee ranges between \$0 - \$100.
- Could be subject to minimum balance and transfer requirements.
- Potentially a solution for participants with high plan expenses and long surrender periods.

Illustrative trading fees and commissions:

	Online Trades	Broker-Assisted Trades
Listed Stocks and ETFs ^{1,2}	\$0 online commission	\$0 + \$25 service charge
Options ^{3,5}	\$0 online commission + \$0.65 per contract fee ⁶	\$0.65 per contract + \$25 service charge
Schwab Mutual Fund OneSource ^{®4}	\$0	\$0 + \$25 service charge
All other mutual funds ⁷	Up to \$74.95 per purchase	Online pricing + \$25 service charge

INDUSTRY TRENDS

DATA AGGREGATION

Below is the estimated amount of orange dollars you may need per month at retirement and your progress toward that goal. Did you find this useful? [Tell your friends](#)

\$2,169 Estimated monthly Income **\$3,500** Estimated monthly goal **\$1,331** A difference of



Each month I save ? **\$250**



I plan to retire at age ? **67**



I expect my investments to grow at a rate of ? **0%**
(conservative)



What you told us:

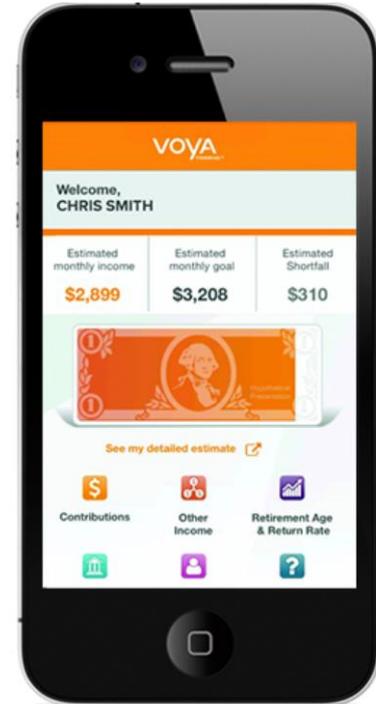
Age

Income

Savings

Future Monthly Income

Include Social Security



SECURE ACT

- **SECURE Act 1.0 (January 2020):**
 - Required minimum distribution (RMD) age changed to 72 from 70 ½.
 - Permits parents to withdraw up to \$5,000 from retirement accounts penalty-free within a year of birth or adoption for qualified expenses.
 - In-service distribution age changed to 59 ½ from 70 ½.

- **SECURE Act 2.0 (Pending):**
 - Modifies Required Minimum Distribution (RMD) rules:
 - From 72 to 73 in 2022
 - From 73 to 74 in 2029
 - From 74 to 75 in 2032
 - Reduces excise tax for RMD failures.
 - Allows matching contributions in a DC plan for student loan repayments.
 - Modifies catch-up contributions rules:
 - Retirement plan catch-up contributions must be made on a Roth basis
 - Increases catch-up contribution limit to \$10,000 for individuals who have attained age 62 but have not turned 65
 - Indexes IRA catch-up contribution amounts for inflation

CASE STUDIES

- **SeaWorld (August 2021):** Eight plaintiffs claimed to have been injured by defendants. Specifically: defendants invested in higher cost fund shares when otherwise identical lower cost shares were available, defendants permitted participants to be charged excessive service fees, and defendants chose and continually offered poor performing funds.
- **Metlife (July 2021):** A class action lawsuit claims that “instead of investing in any of these competitive index fund offerings in the marketplace, Defendants choose to generate profits for MetLife by investing exclusively in the MetLife Index Funds, which charged fees that were up to six times higher than marketplace alternatives that tracked the exact same index.”
- **University of Tampa (May 2021):** A participant in the 403(b) retirement plan claimed that plan participants have paid at least \$3 million in administrative fees, which it says is more than 10 times what they should be.
- **Coca-Cola (Nov 2020):** The complaint summarizes the basic allegations as follows: “Defendants have breached their fiduciary duties to the plan and have engaged in the following fiduciary breaches: (1) failed to fully disclose the expenses and risk of the plan’s investment options to participants; (2) allowed unreasonable expenses to be charged to participants; and (3) selected, retained and/or otherwise ratified high-cost and poorly performing investments.
- **AIG (July 2020):** VALIC Financial Advisors Inc., an AIG subsidiary, fined \$20 million for misleading Florida teachers. The settlement was part of a larger \$40 million settlement related to a broader investigation into other VALIC misconduct.

SUMMARY

- Ensure new employees are made aware of retirement savings vehicles.
- Request education opportunities from your recordkeeper/retirement plan specialist.
- Make sure the default investment is age-appropriate for your employees.
- Request a comprehensive plan review from your recordkeeper/retirement plan specialist.
- Request a fee disclosure and consider fee equalization.
- Review your plan design / adoption agreement and see if there is room for improvement:
 - Dollar vs. percent contribution
 - In service distribution age
 - Loan limitation
 - Designated Roth
 - In plan Roth conversion
 - Self directed brokerage
- Consider hiring a independent fiduciary advisor to benchmark your entire plan and evaluate the following areas:
 - Fees & commissions
 - Participation and income replacement ratios
 - Investment menu

The more satisfied participants are with their plan, the less likely they will be to blame plan fiduciaries for a negative outcome.

THANK YOU

Since 1988, BCA has specialized in Florida retirement plans, providing our clients with independent and objective advice. We are committed to the highest level of fiduciary care, and it would be our pleasure to serve you and your employees.

-Frank Wan, Senior Consultant

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