

# Retirement plan fees in your 457 plan

---

An Ok401k Benchmark of current retirement plan expenses for:

## City of ....XXX 457 Retirement plan



Terrence Morgan, AIF  
President - Ok401k, Inc.  
3600 NW 138<sup>th</sup>, Suite 102  
Oklahoma City, Ok. 73134  
(405) 603 4986

[terrencemorgan@ok401k.com](mailto:terrencemorgan@ok401k.com)

*Terrence Morgan is a Registered Representative offering Securities and Advisory Services through UNITED PLANNERS FINANCIAL SERVICES. Member: FINRA, SIPC. Ok401k and United Planners are independent companies.*

# Retirement plan fees in your 457 plan

One of your responsibilities as a fiduciary on the XXXXXXXXXX 457 plan is to ensure that expenses paid by the plan are reasonable. This is more important than ever because the admin/recordkeeping costs payable to Nationwide are “netted” out of the employees money. To determine what is reasonable, you must first understand retirement plan costs. This Ok401k illustration provides a high-level view of plan fees and expenses, and explains how each fits into the total plan cost.

Remember that plan cost is just one factor to consider when making decisions about plan providers, investment managers, investment options and financial professionals.....

Terrence Morgan, AIF  
 President - Ok401k, Inc.

## Total plan cost

Plan administration expenses		+	Investment expenses	
<b>Recordkeeping</b> Paid to the plan's recordkeeper for tracking participant accounts, producing quarterly statements and providing web and phone access	<b>Administration</b> Paid to the plan's third-party administrator for services such as plan design, creation of plan documents, compliance testing and Form 5500 preparation		<b>Investment management</b> Paid to the investment manager for managing individual securities within each investment option	<b>Adviser compensation</b> Paid to the plan's financial professional's firm for distribution and for employee-related services such as enrollment guidance and ongoing education
			<b>Other related fees</b> Paid to a variety of providers for legal, administrative, marketing and/or transfer-agent services, depending on the arrangement	<b>Recordkeeper and TPA payments</b> Paid to the plan's recordkeepers and/or the third-party administrator

*Most municipalities don't pay for the admin/recordkeeping of their 457 plan. Since the City has chosen not to pay any hard dollar expenses to Nationwide, all TPA and recordkeeping expenses are “netted” out of the employee’s investments.*

**Recordkeeping credit / expense offset**

Certain plans, share or unit classes or investments may credit a portion of the investment expenses back to the plan to reduce or offset plan administration expenses

# Current XXXXXX 457 Plan Comparison with other quality providers

Current plan assets	\$4,297,407
Estimated annual contributions	\$250,000
Number of eligible employees	317
Number of participants	110

## Current provider

	Current City of XXX Nationwide	Top 457 Anonymous Quote	Nationwide Same Funds- Lower Investment Expenses
<b>Annual plan administration expenses</b>			
Recordkeeping fees	\$0	\$0	\$0
Administration fees	\$0	\$0	\$0
Trustee / custodial fees	\$0	\$0	\$0
<b>GROSS plan administration expenses</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Plan credit / expense offset	(\$0)	(\$0)	(\$0)
<b>NET plan administration expenses</b>	<b>\$0</b>		
<b>Annual investment expenses</b>			
Average expense ratio	1.02%	.27%	0.33%
Other fees	0.61%	0.72%	.97%
Adviser fees			
<b>Investment expenses your employees pay .....</b>	<b>1.63%</b>	<b>.99%</b>	<b>1.30%</b>
One-time plan conversion fees	N/A	\$500	\$0

The top Anonymous 457 quote improves on investment expenses by over .64 basis points!

The new Nationwide quote beats the current Nationwide plan by .33 basis points.

The plan costs in this report are based on information entered or provided by the financial professional. If actual fees, expenses and other figures vary, plan costs may be affected. First-year plan cost does not include one-time fees.

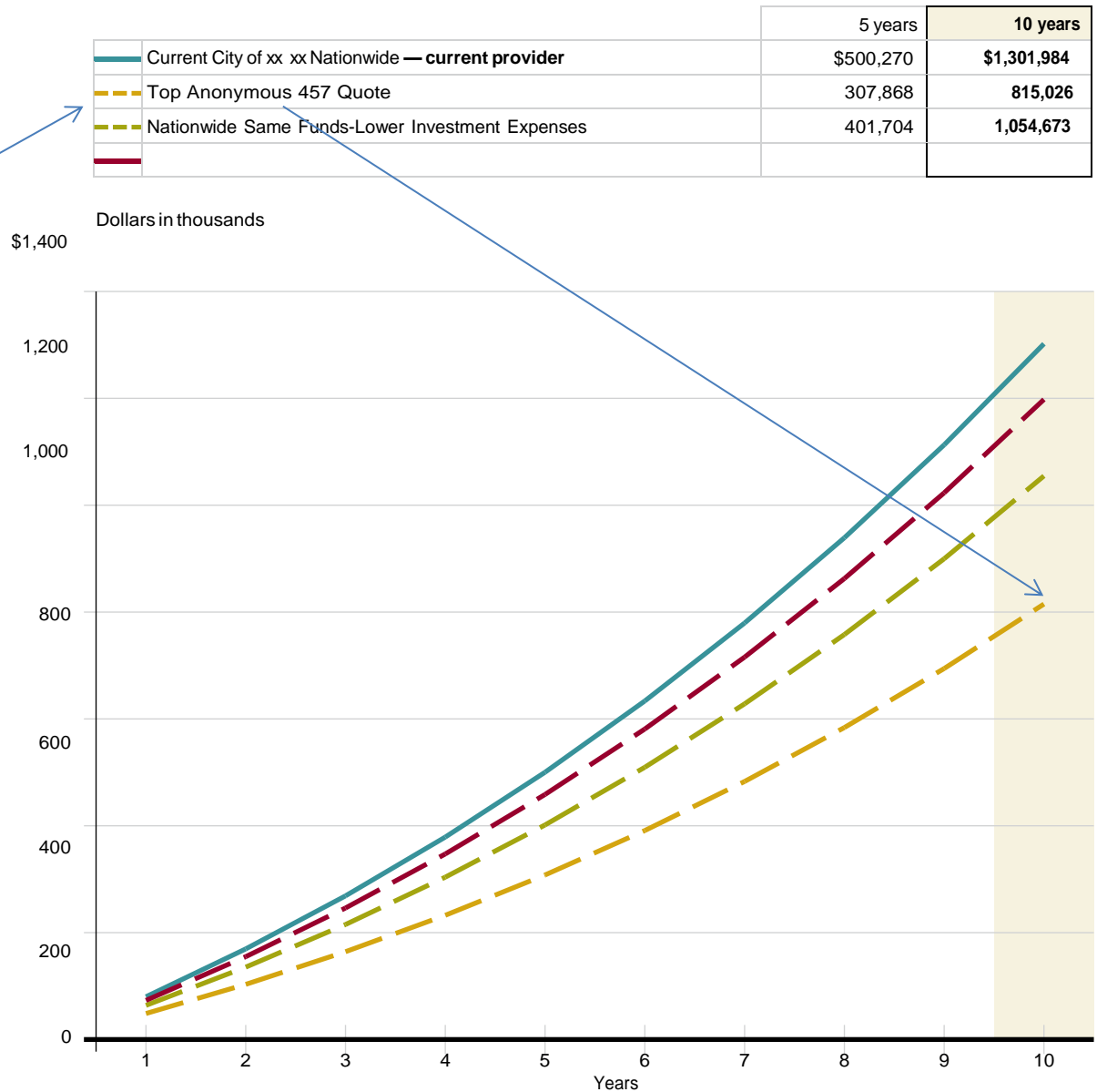
# Estimated cumulative plan costs over 10 years

This chart projects estimated cumulative plan costs of different Ok401k providers as compared to Nationwide over 10 years. Keep in mind that this chart is for illustrative purposes only. It is not intended to predict future costs precisely or to provide advice. This Anonymous 457 Quote” is the lower cost provider.

## Important notes about the chart:

- A hypothetical annual return of 8% is applied to plan assets. This growth rate is for illustrative purposes only and does not represent the actual results of any specific investments.
- The plan's estimated annual contributions of \$250,000 are added to plan assets each year. Distributions are not taken into account.
- Plan costs are subtracted from plan assets each year. Plan costs are calculated after annual contributions and the hypothetical growth rate have been applied at the end of each year.
- If entered as a percentage of assets, annual plan costs and credits change as assets change over time. If entered as a dollar amount, costs and credits do not change from year to year.
- The numbers of employees and participants remain constant.
- One-time plan conversion fees are not included.

Footnotes and important legal information appear on page



Plan cost details — current provider

# Current City of XXXX 457 Plan Nationwide

Current plan assets	\$4,297,407
Estimated annual contributions	\$250,000
Number of eligible employees	317
Number of participants	110

Annual plan administration expenses	
Recordkeeping fees	\$0
Administration fees	\$0
Trustee / custodial fees	\$0
<b>GROSS plan administration expenses</b>	<b>\$0</b>
Plan credit / expense offset	(\$0)
<b>NET plan administration expenses</b>	<b>\$0</b>

Annual investment expenses	
Average expense ratio	1.02%
Other fees	0.61%
Adviser fees	0.00%
<b>Total investment expenses</b>	<b>1.63%</b>
	<b>\$74,123</b>

One-time plan conversion fees	N/A
-------------------------------	-----

The plan costs in this report are based on information entered or provided by the financial professional. If actual fees, expenses and other figures vary, plan costs may be affected. First-year plan cost does not include one-time fees.

## Investment expenses

Investment	Type	Expense ratio (net / gross)	Other fees	Plan credit/expense offset	Plan assets <sup>‡</sup>
American Funds EuroPacific Growth R-3	MF	1.14% / 1.14%	0.61%	—	\$119,373
American Funds Capital World Growth and Income R-3	MF	1.10% / 1.10%	0.61%	—	\$119,373
Oakmark International II	MF	1.39% / 1.39%	0.61%	—	\$119,373
American Century Small Cap Value A	MF	1.70% / 1.70%	0.61%	—	\$119,373
Harbor Small Cap Growth Inv	MF	1.22% / 1.22%	0.61%	—	\$119,373
Fidelity Advisor Leveraged Co Stk A	MF	1.13% / 1.13%	0.61%	—	\$119,373
Neuberger Berman Genesis Tr	MF	1.11% / 1.11%	0.61%	—	\$119,373
Nationwide Mid Cap Market Index A	MF	0.71% / 0.71%	0.61%	—	\$119,373
American Funds AMCAP R-3	MF	1.04% / 1.04%	0.61%	—	\$119,373
Nationwide S&P 500 Index Svc	MF	0.61% / 0.61%	0.61%	—	\$119,373
BlackRock Emerging Mkts Inv A	MF	1.68% / 1.68%	0.61%	—	\$119,373
Eaton Vance Large-Cap Value A	MF	0.99% / 0.99%	0.61%	—	\$119,373
Pioneer Disciplined Value A	MF	1.14% / 1.14%	0.61%	—	\$119,373
AllianzGI NFJ Dividend Value A	MF	1.06% / 1.06%	0.61%	—	\$119,373
Wells Fargo Advantage Growth Inv	MF	1.28% / 1.28%	0.61%	—	\$119,373
T. Rowe Price Equity Income R	MF	1.22% / 1.22%	0.61%	—	\$119,372
T. Rowe Price Growth Stock R	MF	1.20% / 1.20%	0.61%	—	\$119,372
American Funds Income Fund of America R-3	MF	0.96% / 0.96%	0.61%	—	\$119,372
American Funds American Balanced R-3	MF	0.95% / 0.95%	0.61%	—	\$119,372
Nationwide Inv Dest Agrsv Svc	MF	0.87% / 0.87%	0.61%	—	\$119,372
Nationwide Inv Dest Mod Agrsv Svc	MF	0.86% / 0.86%	0.61%	—	\$119,372
Nationwide Inv Dest Mod Cnsv Svc	MF	0.87% / 0.87%	0.61%	—	\$119,372
Nationwide Inv Dest Mod Svc	MF	0.86% / 0.86%	0.61%	—	\$119,372
Fidelity Advisor Freedom 2005 A	MF	0.78% / 0.78%	0.61%	—	\$119,372
Fidelity Advisor Freedom 2015 A	MF	0.85% / 0.85%	0.61%	—	\$119,372
Fidelity Advisor Freedom 2025 A	MF	0.94% / 0.94%	0.61%	—	\$119,372
Fidelity Advisor Freedom 2035 A	MF	1.00% / 1.00%	0.61%	—	\$119,372
Fidelity Advisor Freedom 2010 A	MF	0.84% / 0.84%	0.61%	—	\$119,372
Fidelity Advisor Freedom 2020 A	MF	0.89% / 0.89%	0.61%	—	\$119,372
Fidelity Advisor Freedom 2030 A	MF	0.96% / 0.96%	0.61%	—	\$119,372

MF: Mutual fund SA: Separate account IN: Insurance product SV: Stable value

Continued on next page

Plan cost details — current provider (continued)

Current City of XXXX Nationwide 457

Investment expenses (continued)

Investment	Type	Expense ratio (net / gross)	Other fees		Plan assets†	
Fidelity Advisor Freedom 2040 A	MF	1.01% / 1.01%	0.61%	—	\$119,372	
Franklin Income A	MF	0.64% / 0.64%	0.61%	—	\$119,372	
American Century Core Plus A	MF	0.91% / 0.91%	0.61%	—	\$119,372	
PIMCO Total Return A	MF	0.85% / 0.85%	0.61%	—	\$119,372	
PIMCO Real Return A	MF	0.85% / 0.87%	0.61%	—	\$119,372	
American Funds Growth Fund of America R-3	MF	0.98% / 0.98%	0.61%	—	\$119,372	
Total or average		1.02%	+	0.61%	1.63%	\$4,297,407

MF: Mutual fund SA: Separate account IN: Insurance product SV: Stable value

**Plan cost details**

Anonymous 457 Quote. Overall expense ratio of .99 beats the Current Nationwide plan.

Current plan assets	\$4,297,407
Estimated annual contributions	\$250,000
Number of eligible employees	317
Number of participants	110

Annual plan administration expenses	
Recordkeeping fees	\$0
Administration fees	\$0
Trustee / custodial fees	\$0
<b>GROSS plan administration expenses</b>	<b>\$0</b>
Plan credit / expense offset	(\$0)
<b>NET plan administration expenses</b>	<b>\$0</b>

Annual investment expenses	
Average expense ratio	0.27%
Other fees	0.72%
Adviser fees	0.00%
<b>Total investment expenses</b>	<b>0.99%</b>
	<b>\$45,019</b>

<b>First-year plan cost</b>	<b>0.99%</b>
	<b>\$45,019</b>

One-time plan conversion fees	\$500
-------------------------------	-------

The plan costs in this report are based on information entered or provided by the financial professional. If actual fees, expenses and other figures vary, plan costs may be affected. First-year plan cost does not include one-time fees.

**Investment expenses**

Investment	Type	Expense ratio (net / gross)	Other fees	Plan credit/expense offset	Plan assets <sup>‡</sup>
Vanguard Target Retirement 2015 Inv	MF	0.16% / 0.16%	0.71%	—	\$214,871
Vanguard Target Retirement 2020 Inv	MF	0.16% / 0.16%	0.71%	—	\$214,871
Vanguard Target Retirement 2025 Inv	MF	0.17% / 0.17%	0.71%	—	\$214,871
Vanguard Target Retirement 2030 Inv	MF	0.17% / 0.17%	0.71%	—	\$214,871
Vanguard Target Retirement 2035 Inv	MF	0.18% / 0.18%	0.71%	—	\$214,871
Vanguard Target Retirement 2040 Inv	MF	0.18% / 0.18%	0.71%	—	\$214,871
Vanguard Target Retirement 2045 Inv	MF	0.18% / 0.18%	0.72%	—	\$214,871
Vanguard Target Retirement 2050 Inv	MF	0.18% / 0.18%	0.72%	—	\$214,870
Vanguard Target Retirement 2055 Inv	MF	0.18% / 0.18%	0.72%	—	\$214,870
Fidelity Spartan Extended Mkt Index Inv	MF	0.10% / 0.10%	0.72%	—	\$214,870
T. Rowe Price Mid-Cap Value	MF	0.81% / 0.81%	0.72%	—	\$214,870
T. Rowe Price Mid-Cap Growth	MF	0.80% / 0.80%	0.72%	—	\$214,870
Columbia Large Cap Index Z	MF	0.20% / 0.20%	0.72%	—	\$214,870
Vanguard Equity-Income Inv	MF	0.30% / 0.30%	0.72%	—	\$214,870
Vanguard Growth Index Inv	MF	0.24% / 0.24%	0.72%	—	\$214,870
Columbia Small Cap Index Z	MF	0.23% / 0.23%	0.72%	—	\$214,870
Vanguard Small Cap Value Index Inv	MF	0.24% / 0.24%	0.72%	—	\$214,870
Vanguard Small Cap Growth Index Inv	MF	0.24% / 0.24%	0.72%	—	\$214,870
American Funds American Balanced R-6	MF	0.30% / 0.30%	0.72%	—	\$214,870
Western Asset Core Plus Bond IS	MF	0.43% / 0.43%	0.72%	—	\$214,870
<b>Total or average</b>		<b>0.27%</b>	<b>0.72%</b>	<b>0.00%</b>	<b>\$4,297,407</b>

MF: Mutual fund SA: Separate account IN: Insurance product SV: Stable value

## Plan cost details

# New Nationwide Quote: Lower Investment Expenses to your employees!

Current plan assets	\$4,297,407
Estimated annual contributions	\$250,000
Number of eligible employees	317
Number of participants	110

Annual plan administration expenses	
Recordkeeping fees	\$0
Administration fees	\$0
Trustee / custodial fees	\$0
<b>GROSS plan administration expenses</b>	<b>\$0</b>
Plan credit / expense offset	(\$0)
<b>NET plan administration expenses</b>	<b>\$0</b>

Annual investment expenses	
Average expense ratio	0.33%
Other fees	0.52%
Adviser fees	0.45%
<b>Total investment expenses</b>	<b>1.30%</b>
	<b>\$59,116</b>

<b>First-year plan cost</b>	<b>1.30%</b>
	<b>\$59,116</b>

One-time plan conversion fees	\$0
-------------------------------	-----

The plan costs in this report are based on information entered or provided by the financial professional. If actual fees, expenses and other figures vary, plan costs may be affected. First-year plan cost does not include one-time fees.

## Investment expenses

Investment	Type	Expense ratio (net / gross)	Other fees	Plan credit/expense offset	Plan assets <sup>‡</sup>
American Funds EuroPacific Growth R-6	MF	0.50% / 0.50%	0.52%	—	\$171,897
Wells Fargo Advantage High Income I	MF	0.51% / 0.68%	0.52%	—	\$171,897
PIMCO Total Return Instl	MF	0.46% / 0.46%	0.52%	—	\$171,897
Vanguard Dividend Growth Inv	MF	0.29% / 0.29%	0.52%	—	\$171,897
American Century Equity Growth Instl	MF	0.48% / 0.48%	0.52%	—	\$171,897
American Funds AMCAP R-6	MF	0.38% / 0.38%	0.52%	—	\$171,897
Vanguard Growth Index Signal	MF	0.10% / 0.10%	0.52%	—	\$171,897
Vanguard Equity-Income Inv	MF	0.30% / 0.30%	0.52%	—	\$171,896
DFA US Large Cap Value I	MF	0.27% / 0.27%	0.52%	—	\$171,896
Vanguard Strategic Equity Inv	MF	0.29% / 0.29%	0.52%	—	\$171,896
Neuberger Berman Genesis Instl	MF	0.85% / 0.86%	0.52%	—	\$171,896
Vanguard Selected Value Inv	MF	0.38% / 0.38%	0.52%	—	\$171,896
American Funds American Balanced R-6	MF	0.30% / 0.30%	0.52%	—	\$171,896
Vanguard Strategic Small-Cap Equity Inv	MF	0.40% / 0.40%	0.52%	—	\$171,896
American Century Small Company Inst	MF	0.69% / 0.69%	0.52%	—	\$171,896
Vanguard Explorer Inv	MF	0.49% / 0.49%	0.52%	—	\$171,896
Vanguard Small Cap Value Index Inv	MF	0.24% / 0.24%	0.52%	—	\$171,896
Vanguard Target Retirement 2015 Inv	MF	0.16% / 0.16%	0.52%	—	\$171,896
Vanguard Target Retirement 2020 Inv	MF	0.16% / 0.16%	0.52%	—	\$171,896
Vanguard Target Retirement 2025 Inv	MF	0.17% / 0.17%	0.52%	—	\$171,896
Vanguard Target Retirement 2030 Inv	MF	0.17% / 0.17%	0.52%	—	\$171,896
Vanguard Target Retirement 2035 Inv	MF	0.18% / 0.18%	0.52%	—	\$171,896
Vanguard Target Retirement 2040 Inv	MF	0.18% / 0.18%	0.52%	—	\$171,896
Vanguard Target Retirement 2045 Inv	MF	0.18% / 0.18%	0.52%	—	\$171,896
Vanguard Target Retirement 2055 Inv	MF	0.18% / 0.18%	0.52%	—	\$171,896
<b>Total or average</b>		<b>0.33%</b>	<b>0.52%</b>	<b>0.00%</b>	<b>\$4,297,407</b>

**MF:** Mutual fund **SA:** Separate account **IN:** Insurance product **SV:** Stable value



## Plan cost details

# American Funds

### Recordkeeper Direct - American Funds only R-2

Current plan assets	\$4,297,407
Estimated annual contributions	\$250,000
Number of eligible employees	317
Number of participants	110

Annual plan administration expenses	
Recordkeeping fees	\$0
Administration fees	\$0
Trustee / custodial fees	\$0
<b>GROSS plan administration expenses</b>	<b>\$0</b>
Plan credit / expense offset	(\$0)
<b>NET plan administration expenses</b>	<b>\$0</b>

Annual investment expenses	
Average expense ratio	1.49%
Other fees	0.00%
Adviser fees	—
<b>Total investment expenses</b>	<b>1.49%</b> <b>\$67,756</b>

<b>First-year plan cost</b>	<b>1.49%</b> <b>\$67,756</b>
-----------------------------	---------------------------------

One-time plan conversion fees	\$0
-------------------------------	-----

The plan costs in this report are based on information entered or provided by the financial professional. If actual fees, expenses and other figures vary, plan costs may be affected. First-year plan cost does not include one-time fees.

### Investment expenses

Investment	Type	Expense ratio (net / gross)	Other fees	Plan credit/expense offset	Plan assets <sup>‡</sup>
American Funds Global Growth Portfolio R-2	MF	1.61% / 1.71%	—	—	\$226,180
American Funds Growth Portfolio R-2	MF	1.46% / 1.56%	—	—	\$226,180
American Funds EuroPacific Growth R-2	MF	1.60% / 1.60%	—	—	\$226,180
American Funds New Perspective R-2	MF	1.58% / 1.58%	—	—	\$226,180
American Funds Growth and Income Portfolio R-2	MF	1.38% / 1.48%	—	—	\$226,180
American Funds International Growth and Income R-2	MF	1.78% / 1.78%	—	—	\$226,180
American Funds Bond Fund of America R-2	MF	1.36% / 1.36%	—	—	\$226,179
American Funds Intermediate Bond Fund of America R-2	MF	1.39% / 1.39%	—	—	\$226,179
American Funds Short-Term Bond Fund of America R-2	MF	1.41% / 1.41%	—	—	\$226,179
American Funds Target Date Rtrmt 2010 R-2	MF	1.41% / 1.51%	—	—	\$226,179
American Funds Target Date Rtrmt 2015 R-2	MF	1.41% / 1.51%	—	—	\$226,179
American Funds Target Date Rtrmt 2020 R-2	MF	1.44% / 1.54%	—	—	\$226,179
American Funds Target Date Rtrmt 2025 R-2	MF	1.46% / 1.56%	—	—	\$226,179
American Funds Target Date Rtrmt 2030 R-2	MF	1.47% / 1.57%	—	—	\$226,179
American Funds Target Date Rtrmt 2035 R-2	MF	1.47% / 1.57%	—	—	\$226,179
American Funds Target Date Rtrmt 2040 R-2	MF	1.48% / 1.58%	—	—	\$226,179
American Funds Target Date Rtrmt 2045 R-2	MF	1.49% / 1.59%	—	—	\$226,179
American Funds Target Date Rtrmt 2050 R-2	MF	1.50% / 1.60%	—	—	\$226,179
American Funds Target Date Rtrmt 2055 R-2	MF	1.52% / 1.70%	—	—	\$226,179
<b>Total or average</b>		<b>1.49%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>\$4,297,407</b>

MF: Mutual fund SA: Separate account IN: Insurance product SV: Stable value

# Important Disclosure from Ok401k

‡ Plan assets were allocated equally among the investments in the lineup as an estimate. Actual average expense ratios are based on the plan assets in each investment.

\*\* The expense ratio for each group annuity investment option is the sum of the group annuity program charge and the operating expense of the underlying mutual fund. The operating expenses of the underlying mutual funds are for institutional share classes.

The plan costs in this report are based on information entered or provided by the financial professional. If actual fees, expenses and other figures vary, plan costs may be affected. Plan contracts contain actual fee and expense rates and structures. Service provider fees are subject to change after expiration of the period guaranteed by the plan's contract.

To simplify the report, some fees are estimated, and other fees are not included, such as loan, distribution, termination and self-directed brokerage account fees. In addition, certain asset breakpoints and privately negotiated rates may not be included. Some figures have been rounded for display purposes.

Plan costs are calculated after estimated annual contributions are applied. Distributions are not taken into account. Investment expenses and plan credits/expense offsets are applied to all plan assets in calculating costs. If any plan assets are held in investments such as company stock or a self-directed brokerage account, actual investment costs may vary. The plan credit/expense offset may vary by share or unit class, plan assets or investments.

Net expense ratios reflect any applicable waivers and/or reimbursements to the underlying mutual funds. Gross expense ratios do not.

Net expense ratios are used to calculate total investment expenses for investment lineups. Net expense ratios reflect any applicable fee waivers and expense reimbursements, without which expense ratios would have been higher. Expense ratios are as of each fund's prospectus. Expense ratios for the newer funds may be estimated. See the fund's prospectus for details.



## Summary and Conclusion

- Current Nationwide 457 Plan has overall average expense ratio of 1.63%
- Anonymous 401k Quote on next page has an overall average expense ratio of .99%
- New Nationwide quote has an overall average expense ratio of .130%

We at Ok401k never promote the lowest cost provider. But you as the plan sponsor can control how much your employees pay to invest and in some cases the very exact same funds. This benchmarking tool is your first line of defense to make sure the plan investment expenses are reasonable.

*No advisor including Ok401k can guarantee the City of XXXX 457 Committee great returns but you can control the investment expenses your employees pay to invest.*

*We have an outstanding investment monitoring tool called Fi360 that enables us to review, monitor and add and delete funds when they are not performing at their best as compared to their peer group.*

*Combine this and other services and you have a great fiduciary advisor that is looking out for you and your employees.*

*Terrence Morgan, AIF*

*President - Ok401k, Inc.*

**Terrence Morgan, AIF is a Registered Representative offering securities and advisory services through United Planners Financial Services. A Limited Partnership Member: FINRA, SIPC. Ok401K and United Planners are not affiliated.**

**Past returns are not indicative of future returns.**