NFP®

Enhancing Retirement Plan Success and Maximizing Your Fiduciary Protection

Confidential

Professional Profile

Jamie A. Hayes, CPFA, C(k)P ®, AIF®
Senior Vice President at NFP

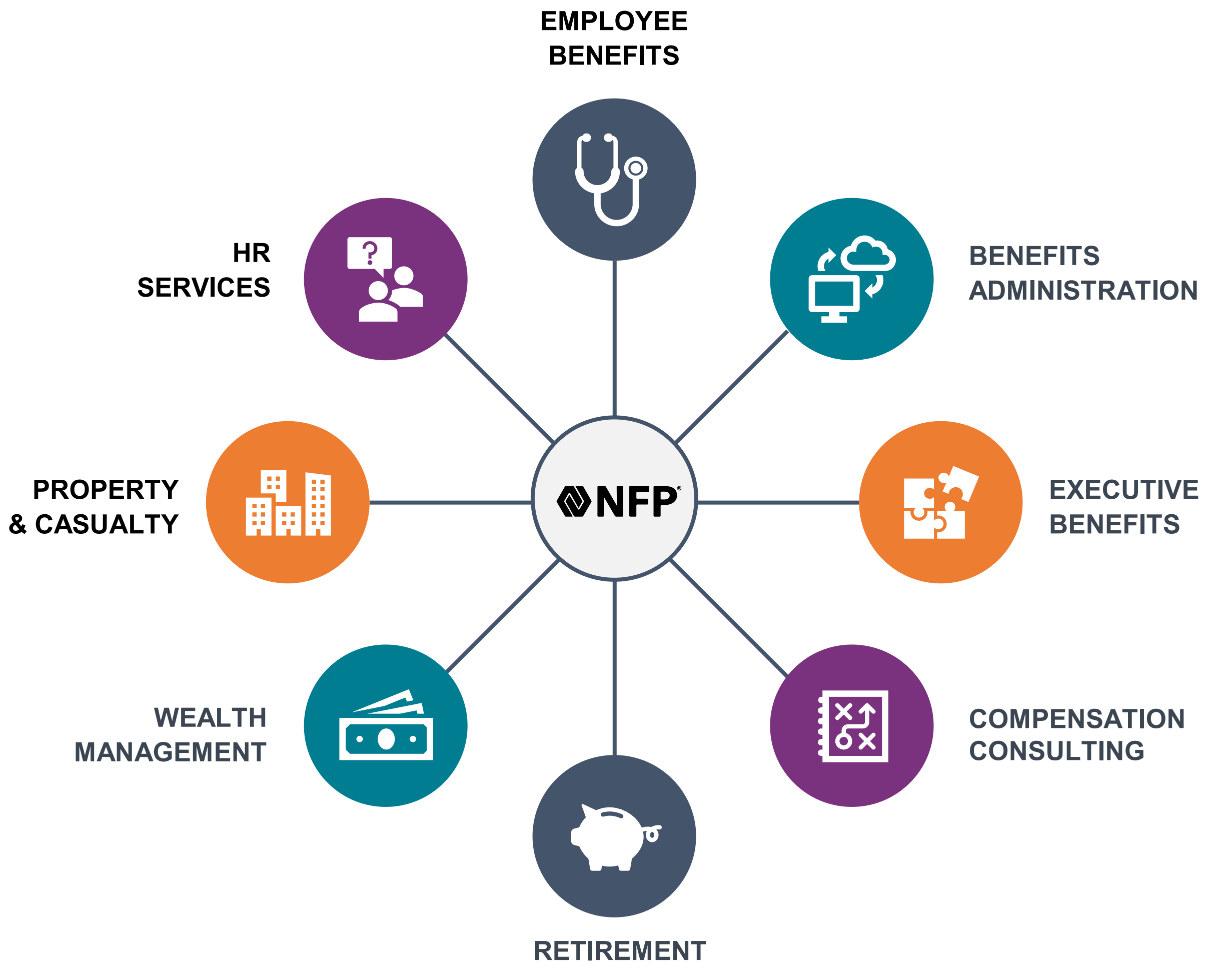
Jamie focuses on ensuring her clients' plans are well positioned for success. She uses the newest scientific research to implement practical strategies to improve outcomes for employees. Jamie combines powerful behavioral finance strategies with the maximization of fiduciary risk management to help promote retirement confidence for both employers and employees.

Jamie is the national leader of WellCents, our comprehensive Financial Wellness Program. WellCents is a beginning to end holistic financial wellness solution that helps employees create confidence in their financial life.

After graduating with high honors from the University of Michigan where she majored in Economics, Jamie enjoys spending time with her husband Bobby and watching their two daughters excel in volleyball and cheerleading.

About NFP

NFP is a leading provider of corporate benefits and commercial insurance consulting services.



8,000+ Employees
Across the US and Canada

#8 best place to work in insurance
Business Insurance

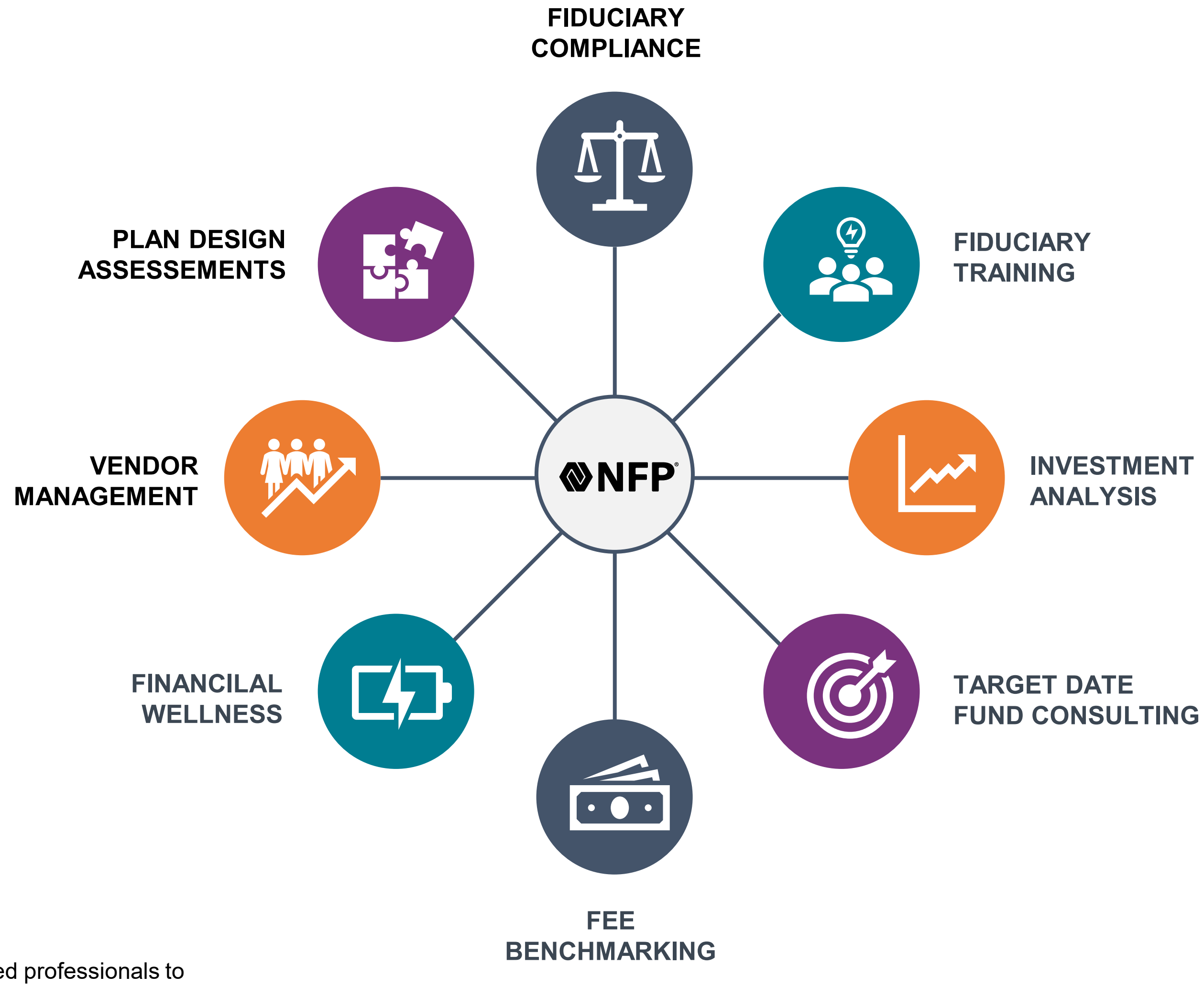
#7 Largest
Benefits Broker
Business Insurance

#10 Largest
P&C Agency
Insurance Journal

2,300+ Executive Benefit Plans
in 49 States and
65 Countries

NFP Retirement Plan Consulting Services

We're problem solvers that provide subject-matter expertise across all plan management areas.



Plan Advisor

12 ERISA Attorneys[1]

32 CFAs

15 Benchmarking Specialists

11 Education Specialists

[1] NFP provides ERISA-trained professionals to assist our clients but does not provide legal advice.

Agenda

- Overview of Fiduciary Responsibilities and Best Practices
- Understanding Plan Fees and their Evolution
- Behavioral Finance – How to get your employees to save, save more and save wisely
- Financial Wellness – What Employees Need Help With and How To Engage Them
- Compensation & Benefits for Top Talent in Today’s World

Overview of Fiduciary Responsibilities and Best Practices

Fiduciary Duties and Responsibilities

Identify the various individuals who are considered plan fiduciaries. Understand the duties and responsibilities those individuals have under ERISA.

Fiduciary Defined

A FIDUCIARY IS

- Any individual or entity that has or exercises discretionary control over the management of the plan or the plan's assets
- A plan may have:
  - More than one fiduciary
  - An individual serving in more than one fiduciary capacity

A FIDUCIARY IS NOT

- Anyone who performs ministerial functions and does not have the authority to make decisions with respect to plan policies, procedures, etc.
  - Example: individual who calculates benefits or processes claims

Named Fiduciaries

- Each plan must have one "named fiduciary"
  - Named in or identified with a procedure prescribed in the plan document
- May be the plan sponsor, officer, board of directors, board of trustees, member of the management team or committee
- Can allocate responsibilities to others if plan document permits

Fiduciary Duties and Responsibilities

Functional Fiduciaries

- The fiduciary test is a functional one
- You are a fiduciary if:
  - No expressed appointment or delegation of fiduciary authority but functionally in control or in possession of authority over the plan's management, assets or administration
  - Example: members of the employer's board of directors or board of trustees with power to exercise discretion and control
    - May include non-board and non-voting members

Fiduciary vs. Settlor Duties

- Business decisions related to the formation and design of a plan are not fiduciary in nature

Fiduciary Duties

- Implementing plan-related decisions
- Carrying out processes and procedures regarding plan management
- Acts carried out on behalf of the plan
- Selection of provider, investments or investment manager

Settlor Duties

- Decision to establish a plan
- Include plan features
- Terminate a plan

Fiduciary Duties and Responsibilities

Co-Fiduciaries

- Co-fiduciaries are those to whom named fiduciaries delegate their responsibilities in an effort to better manage the plan
- Fiduciaries are not liable for the acts and omissions related to those delegated responsibilities but do have the duty to monitor the co-fiduciaries' performance of the delegated responsibilities

Board of Directors or Board of Trustees

- Board of directors or Board of trustees are fiduciaries only to the extent that they function as fiduciaries (i.e., exercise discretion
  and control)
  - If delegate authority, responsibility and liability are limited to selection and retention of fiduciaries unless individual becomes liable under co-fiduciary rules
  - Must monitor performance of co-fiduciaries

Benefit and Investment Committees

- Benefit and Investment Committees are fiduciaries if delegated fiduciary responsibilities
- Best practices to adopt Committee Charter
- Written meeting minutes should describe issues discussed, action taken and how each member voted
- Members can resign in protest to a fiduciary breach of another member on the committee
  - Resignation may not be sufficient to discharge reasonable efforts to remedy duties; other steps may be necessary

Action Step

- Prepare Board resolutions delegating fiduciary responsibility to committees or individuals
  - Adopt a Committee Charter
  - Solicit acknowledgment of committee members' appointment resignation forms
- Keep a copy of all Committee-related documents (resolutions, charter, acceptances) in your Fiduciary File

Fiduciary Duties and Responsibilities

Trustees as Fiduciaries

- Trustees are fiduciaries due to management and control of plan assets
- Discretionary trustee has authority and discretion for the management and control of plan assets
- Directed trustee is subject to the direction of a plan fiduciary, other than the trustee only a fiduciary to the extent of its discretion which is generally limited
- Written meeting minutes should describe issues discussed, action taken and how each trustee voted
- Trustees can resign in protest to a fiduciary breach of another co-trustee
  - Resignation may not be sufficient to discharge reasonable efforts to remedy duties; other steps may be necessary

Investment Advisers

- An investment adviser is a fiduciary if adviser meets ERISA section 3(21) requirements.
  - Serves as an investment expert providing investment recommendations for the plan
  - Renders investment advice for a fee

Investment Managers

- An investment manager is a fiduciary if manager meets ERISA Section 3(38) requirements
  - Must be a bank, insurance company or investment adviser registered under the Investment Advisers Act of 1940
  - Manager must acknowledge being a fiduciary in writing
    - Generally, a discretionary trustee for a retirement plan is also an investment manager

Fiduciary Duties and Responsibilities

Attorneys, Accountants, Actuaries, Consultants and Employees

- Generally these professionals performing their usual professional functions are not fiduciaries
- They are considered a fiduciary, however, if they have discretionary authority or control over the management of the plan or render investment advice for a fee
- Consultants, attorneys and third-party administrators may become fiduciaries when plan fiduciaries rely on their advice when making fiduciary decisions
- Employees are generally not plan fiduciaries, but can be depending on individual facts and circumstances

Individuals Prohibited from Fiduciary Role

- Individuals are prohibited if they have been convicted of or been imprisoned as a result of said conviction for:

  - Robbery
  - Bribery
  - Extortion
  - Fraud
  - Embezzlement
  - Grand larceny
  - Kidnapping
  - Burglary
  - Arson
  - Rape
  - Murder
  - A felony involving illegal substances
  - Violation of §302 of Labor-Management Relations Act
  - Crimes barring individual from serving as an investment adviser
  - Violation of any ERISA provision
  - Violation involving kickbacks from public works
  - Violation of federal mail prohibitions

Action Step Complete the “List of Fiduciaries” to identify all fiduciaries and their responsibilities

Fiduciary Duties and Responsibilities

ERISA Section 404(a) Fiduciary Responsibilities

Duty of Loyalty

- A fiduciary must act **solely** in the interest of the plan participants, their beneficiaries and alternate payees
- In doing so, a fiduciary must:
  - Carry out duties prudently
  - Follow the terms of the plan document (unless the documents are inconsistent with ERISA)
  - Diversify plan assets
  - Pay only fair and reasonable expenses

Duty of Prudence

- When acting on behalf of the plan, exercise the care, skill, prudence and diligence that a prudent person familiar with such matters would exercise in similar circumstances
- With regards to investments, give "*appropriate consideration*" to the facts and circumstances that they know or should know are relevant to the investment or investment course of action involved
- The fiduciary's actions are considered prudent if the fiduciary exercises ordinary care based on the facts and circumstances

Note: The Department of Labor (DOL) and courts measure prudence by analyzing the process used to select an investment or course of action.

Fiduciary Duties and Responsibilities

Appropriate Consideration: Defined

- Appropriate consideration includes:
    - Determination that a course of action is reasonably designed to further the purposes of the plan
    - Consideration of the risk of loss and opportunity for gain associated with a course of action
    - With regards to investments
        - Composition of the portfolio(s) with regard to diversification
        - Liquidity and current return relevant to plan's anticipated cash flow needs
        - Portfolio's projected return relative to funding objectives

Follow the Terms of the Plan Document

- Be familiar with the plan documents
    - Plan/trust documents
    - Summary plan descriptions
    - Administrative procedures
- Carefully review documents periodically to ensure they are legally compliant
- Review plan administration to ensure plan is operating in accordance with the terms of the plan document, ERISA and the Internal Revenue Code ("Code")

Fiduciary Duties and Responsibilities

Diversify Plan Investments

- Fiduciaries are tasked with the responsibility to help minimize risk of large losses, unless it is clearly not prudent to do so
- Take the following into consideration:
  - The purpose and size of the plan
  - Economic and market conditions
  - The type and geographic dispersion of the investment

Relying on Information from Others

- A fiduciary may rely on information provided by individuals or other entities performing **ministerial** functions for the plan
  - But must exercise prudence in selecting or retaining such individual or other entities

Appointing Trustees or Other Fiduciaries

- Do **not** appoint fiduciaries based on the position they hold within the organization
  - Appoint based on expertise and experience; title alone is not a qualifier
- Fiduciary terms are indefinite; they serve until retirement, termination or resignation
- Plan fiduciaries must monitor performance routinely
  - Identify all fiduciaries, outline responsibilities, measure performance and review any complaints
  - Utilize a documented process
  - Annual reviews are recommended
- Immediate corrective steps must be taken for fiduciary deficiencies and termination

Fiduciary Duties and Responsibilities

Reporting and Disclosure Requirements

- Fiduciaries must comply with ERISA's reporting and disclosure requirements
- Reporting requirements can be met both electronically and non-electronically; special attention to be paid to DOL requirements for electronic delivery
- Delivery system should result in actual receipt of information and protect confidentiality

Fidelity Bond

- Every fiduciary and anyone who handles plan funds or property must be bonded, unless subject to an ERISA Section 412 exemption
- Bond must cover at least 10 percent of the amount handled by the individual
  - May not be less than $1,000 or greater than $500,000 ($1,000,000 for plans holding employer securities)

Action Step

- Establish a prudent process to comply with ERISA duties.
- Conduct administrative audit to confirm plan operating in compliance with plan documents and applicable law.
- Confirm appropriate fidelity bond in place.

Fiduciary Duties and Responsibilities

Is the individual in the plan document or through a process described in the plan document as having authority over plan operations (e.g., plan administrator or trustees)?

Yes | No

Does the individual have or exercise discretionary authority or control over the management or disposition of the plan assets?

Yes | No

Does the individual have or exercise discretionary authority or control over the management of the plan?

Yes | No

Does the individual have or exercise discretionary authority or discretionary responsibility in the administration of the plan?

Yes | No

Does the individual render investment advice to a plan fiduciary for a fee, directly or indirectly, on a regular basis pursuant to a mutual understanding that the advice will be individualized based on the needs of the plan and will serve as the primary basis for the plan fiduciary's investment decisions?

Yes | No

The individual is a plan fiduciary

The individual is **NOT** a plan fiduciary

Conclusion – Determining if an Individual is a Plan Fiduciary

Areas of IRS Audit Focus

Participation

Compliance with Plan Terms & Definitions

Internal Workflows and Controls

Compliance with Tax Codes

Non-Discrimination Testing

Areas of DOL Audit Focus

Prohibited Transactions

Reasonableness of Service Provider Contracts

Required Plan Disclosures

Selecting and Monitoring Investments

Reasonableness of Plan Fees

QDIA / TDF Suitability & Selection

Required Participant Notices

Pre-Audit Strategies to Minimize Risks

- Confirm ERISA **standards** are being met
- Confirm **prudent processes** are in place
- Confirm **documentation** is being stored
- Consider **hiring experts**
  - Investment fiduciary – 3(21) or 3(38)

Fiduciary Checklist

Prudent processes and documentation to support plan-related decisions and responsibilities.

- Establish plan governance items to outline fiduciary processes and responsibilities
- Conduct a fee audit to determine the reasonableness of recordkeeping, investment and total plan fees
- Establish criteria for selecting, monitoring and replacing plan investment of options
- Follow the DOL's risk suitability steps for selecting a Qualified Default Investment Alternative (QDIA)
- Establish appropriate oversight and workflows to ensure compliance with Plan Provisions and DOL / IRS requirements
- Establish fiduciary reminders to distribute required participant notices and disclosures
- Provide fiduciary training for plan committee members

Areas of Fiduciary Responsibility	Process	Impartial	Expert
Selecting and Monitoring Investments	❑	❑	❑
QDIA / Target Date Fund Suitability & Selection	❑	❑	❑
Total Plan Expenses	❑	❑	❑
Investment Fees and Charges	❑	❑	❑
Recordkeeping and Administrative Fees	❑	❑	❑
Fiduciary Education and Training	❑		
Compliance with Tax Codes – Annual Limits, Participation Rules and Non-Discrimination Testing	❑		
Compliance with Plan Provisions & Definitions	❑		
Internal Workflows and Controls	❑		
Prohibited Transactions	❑		
Required Plan Disclosures	❑		
Required Participant Notices	❑		

Understanding Plan Fees

Fees and Expenses

A fiduciary must act solely in the interest of plan participants, beneficiaries and alternate payees to ensure that only reasonable expenses are paid by the plan. Understand common types of plan fees and best practices fiduciaries can implement to meet their fiduciary duty to ensure that plan fees are reasonable.

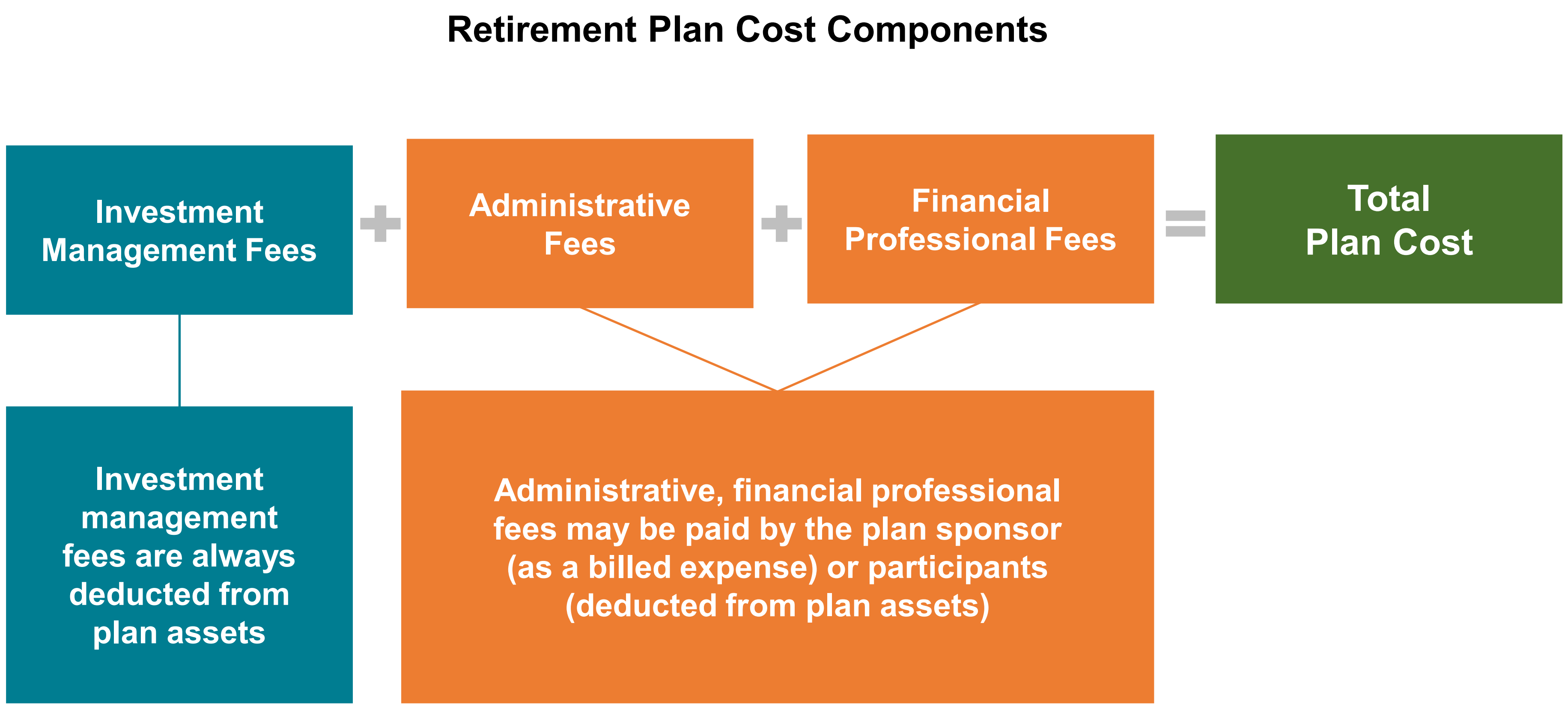
Types of Plan Fees

- The Department of Labor's Employee Benefits Security Administration (EBSA) identifies three types of fees:
- Plan administrative fees are fees for plan operations (e.g., recordkeeping, technology services, compliance services, communications services, accounting, legal and trustee services)
- Investment fees are related to the management of plan assets and are generally assessed as a percentage of plan assets
- Participant elective service fees may be charged separately to a participant's account when the participant elects to use a particular plan provision (e.g., fees to process loans, withdrawals)

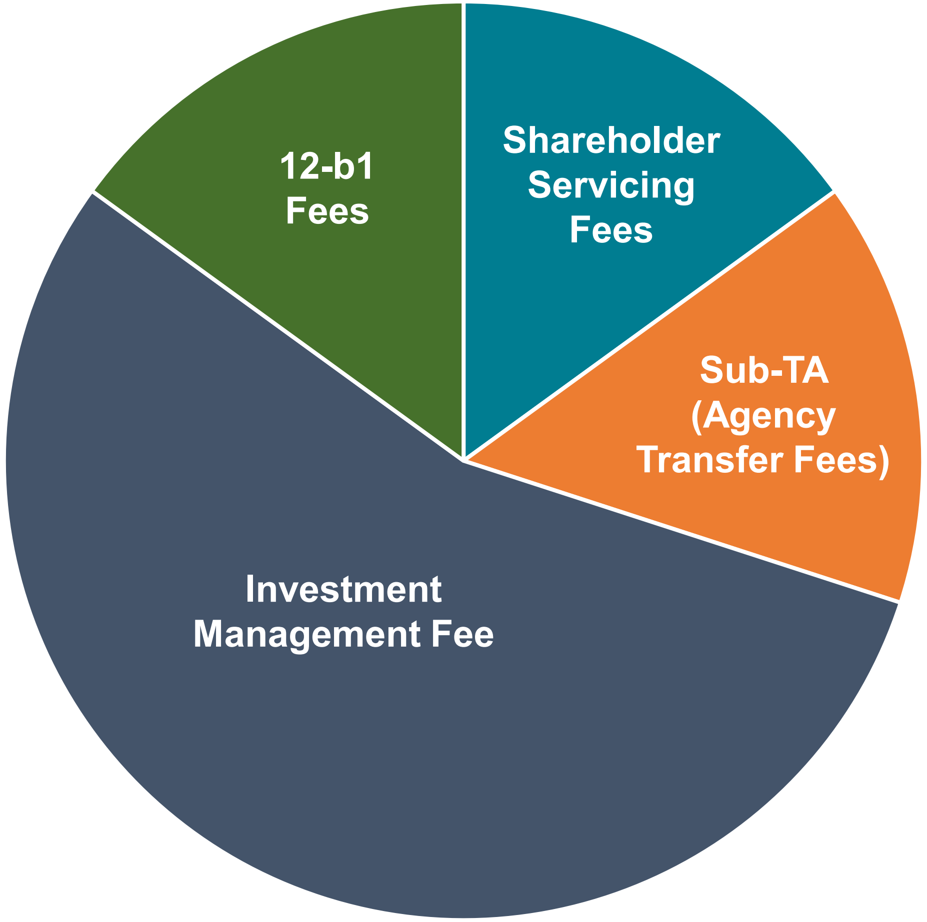
Methods of Paying Fees

- Billed fees may be assessed directly to a participant's account or paid by the plan sponsor
- Asset-based, or per participant, fees are deducted from participant accounts
- Revenue sharing from the investment management expense

Fees and Expenses



Fees and Expenses



Investment Management Expense Ratio and Revenue Sharing

- An investment fund's investment management expense ratio may consist of both investment management fees and sometimes revenue sharing
- Revenue sharing can be difficult to identify because it is often not clearly disclosed in readily understandable terms; types of revenue sharing include the following:
  - 12b-1 are distribution fees paid out of a fund's assets that are often used to pay commissions and marketing expenses and other administrative services
  - Sub-TA and shareholder services fees are administrative fees shared by the mutual fund with the recordkeeper to handle participant recordkeeping services
  - 28(e) fees are charged by brokerage firms for an extra commission that can be used to purchase "additional services" (e.g., valuable investment research)
  - Wrap fees are an additional layer of fees layered on top of total investment management fees to provide additional required revenue

Fees and Expenses

Share Classes

- Many investment providers (mutual fund companies and financial services firms) offer the identical fund with several different investment management expense options
- Each investment management expense option is a different share class

Share Class Implications

- Lower expense share classes will reduce total plan costs assuming other administrative expenses remain the same—service providers rarely voluntarily lower plan fees
- Share class considerations are based on the plan sponsor's expense allocation philosophy relative to total plan costs
- "Real life" application may result in multiple share classes within the same plan menu
- The most important point is to understand your plan's pricing methodology and determine "reasonableness" of total plan costs

Share Class	Year-to-Date Return	1-Year Return	3-Year Annualized Return	5-Year Annualized Return	Expense Ratio	Revenue Sharing
R3	19.79%	19.79%	7.05%	13.17%	1.14%	0.65%
R4	20.17%	20.17%	7.37%	13.50%	0.85%	0.35%
R6	20.58%	20.58%	7.74%	13.85%	0.50%	0.00%

The hypothetical example is for illustrative purposes only. Should not be deemed a representation of past or future results. Does not represent any specific product.

Fees and Expenses

Financial Professional Fees

- Can be flat dollar or asset-based
- Often paid out of plan assets
  - Can be paid from 12b-1 fees
  - Can be part/all of an asset-based fee or imbedded into the investment management expense
  - Can be paid out of an ERISA budget

Fee Disclosure Requirements

ERISA Section **408(b)(2)** requires covered service providers to disclose fees to plans in writing

- The disclosure must be provided in advance of the date an agreement is entered into, and as soon as administratively possible when material changes are made thereto
- Must disclose a description of the services provided and a description of both direct and indirect compensation
  - Direct and indirect compensation includes anything of monetary value
  - Disclosure must contain sufficient information to permit evaluation of reasonableness of compensation
  - If a service provider is receiving indirect compensation, it must disclose from whom such indirect compensation is received
- With respect to investments, the fee disclosure must describe the compensation charged directly against the amount invested, the annual operating expense (expense ratios) and any ongoing expenses in addition to annual operating expenses (e.g., wrap fees, mortality and expense fees)

- ERISA Section **404(a)(5)** requires that plan fees be disclosed to participants
  - Disclosure must include:
    - An explanation of administrative fees;
    - Fees actually charged against participant accounts;
    - Individual expenses deducted from a participant’s account (e.g., loan or QDRO fees); and

Fees and Expenses

- Investment fee and expense information including the amount or a description of fees charged directly against participant accounts, total annual operating expenses expressed as a percentage of assets (expense ratio) and a dollar amount for each $1,000 invested, and any additional ongoing fees to the extent not included in the expense ratio
- Fee disclosure does not need to be provided quarterly if no changes occurred in previous quarter
- Fees are also required to be disclosed on Form 5500 using either Schedule A, which is used to report commissions or related fees to insurance companies, or
- Schedule C, which is used to report fees paid to service providers

Best Practices to Determine Reasonableness of Fees

- When hiring a service provider, determine the specific services to be made available
- The level of responsibility the provider is to assume
- Evaluate any services to be included and any optional features
- Determine what services are covered under the estimated fees and what services are not included
- Monitor the level and quality of the services and the performance of the providers and investments to ensure that the costs are reasonable and continue to meet participants' needs

Action Step

- Establish and follow a prudent process for understanding, monitoring and documenting fees
- Accept only full and transparent fee disclosures from all service providers
- Conduct regular benchmarking of fees, services and investments
- Be aware of opportunities to renegotiate and investigate potentially lower plan or investment costs

Evolution of Plan Fees

What is a CIT?

- A CIT is a bank-sponsored pooled investment vehicle organized as a trust.
- Like mutual funds, CITs take advantage of “pooling” assets to seek to reduce investment costs through economies of scale and other efficiencies and are managed by investment professionals. There are also a few differences.
- Selected differences between mutual funds and CITs:

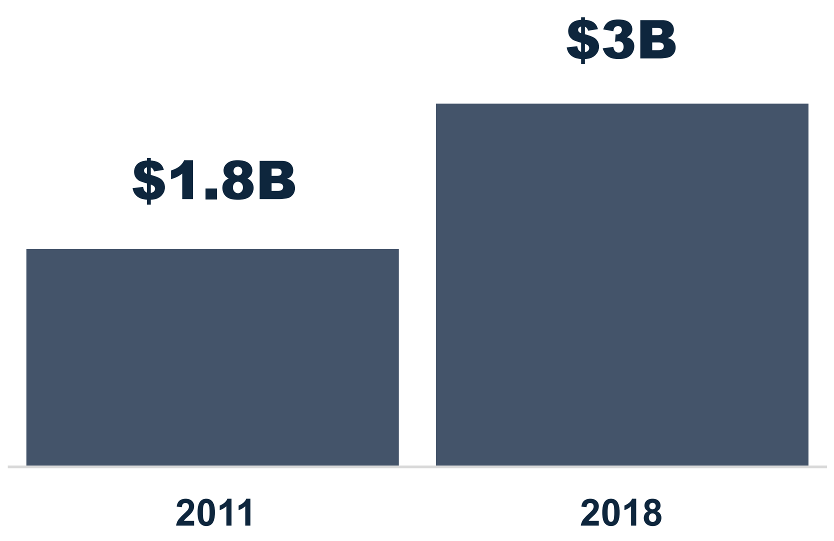
Access	Mutual funds are generally available to all investors, but CITs are only available to certain institutional investors.
Fees	For mutual funds, all investors investing through the same share class pay the same fee. For CITs, management fees could be negotiated between the provider and the plan and can be different than fees negotiated with other plans.
Regulators	Mutual funds are regulated by the U.S. Securities and Exchange Commission while CITs are regulated by the Office of the Comptroller of the Currency or state banking regulators.
Info disclosure	All information on mutual funds is publicly available and shared on your plan’s website. CIT information is typically only available through the plan.
Income distribution	CITs can only reinvest income, whereas with mutual funds you can choose to receive a distribution or reinvest income. Regardless of how dividends & interest income reflect performance, both grow tax deferred in your account.

What is a CIT?

Adoption of CITs has increased significantly over the past decade

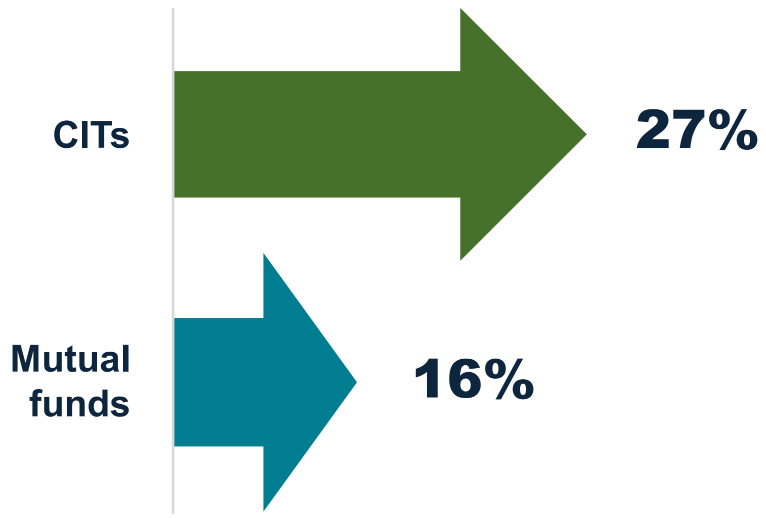
CITs in defined contribution (DC) plans have consistently gained assets over the last decade[1]

Total collective investment trust assets in DC 2011-2018



Since 2015, assets in target-date CITs have outpaced those in target-date mutual funds[2]

CIT vs. mutual fund target-date asset growth, 2015-2019



1 Cerulli Associates, U.S. Defined Contribution Distribution 2019. 2 Sway Research, The State of the Target-Date Market: 2020, Examining Asset Trends Across Providers, Products, Vehicles, Management Styles, and Glide Path Structures, 2020.

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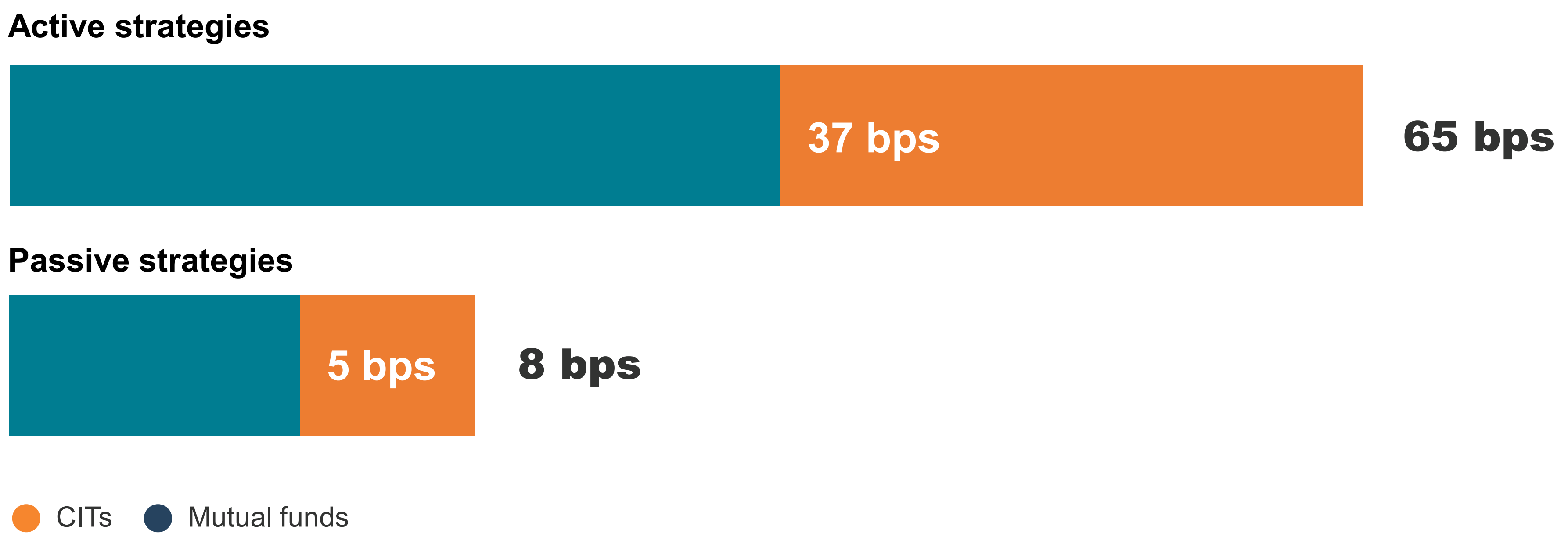
Key features of a CIT

On an asset-weighted average, actively managed CITs have net expense ratios of about 37 basis points, compared with 65 basis points for mutual funds with identical strategies. For passive strategies, that average is less than 5 bps for CITs and nearly 8 bps for mutual funds.



Source: Morningstar, CITs: A Welcome Addition to 403(b) Plans, June 2020. Source's note: These estimates incorporate some double counting as multiple tiers and share classes can be from the same strategy. While the Morningstar CIT database is comprehensive, covering over 6,700 CIT tiers, the most competitive CIT fees are negotiated on a client by-client basis and therefore not reported to public databases.

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Are CITs right for your plan?

Ask yourself these questions:

1. What are your investment menu's objectives?
2. Are the current fees in line with your plan goals?
3. Is there an opportunity to make a change that would lower fees and benefit plan participants?

If you are interested in learning more about how to explore CIT vehicles in your plan, we can work with your plan to do more analysis on how a CIT can potentially reduce fees and improve participant outcomes with our Plan Design Analysis.

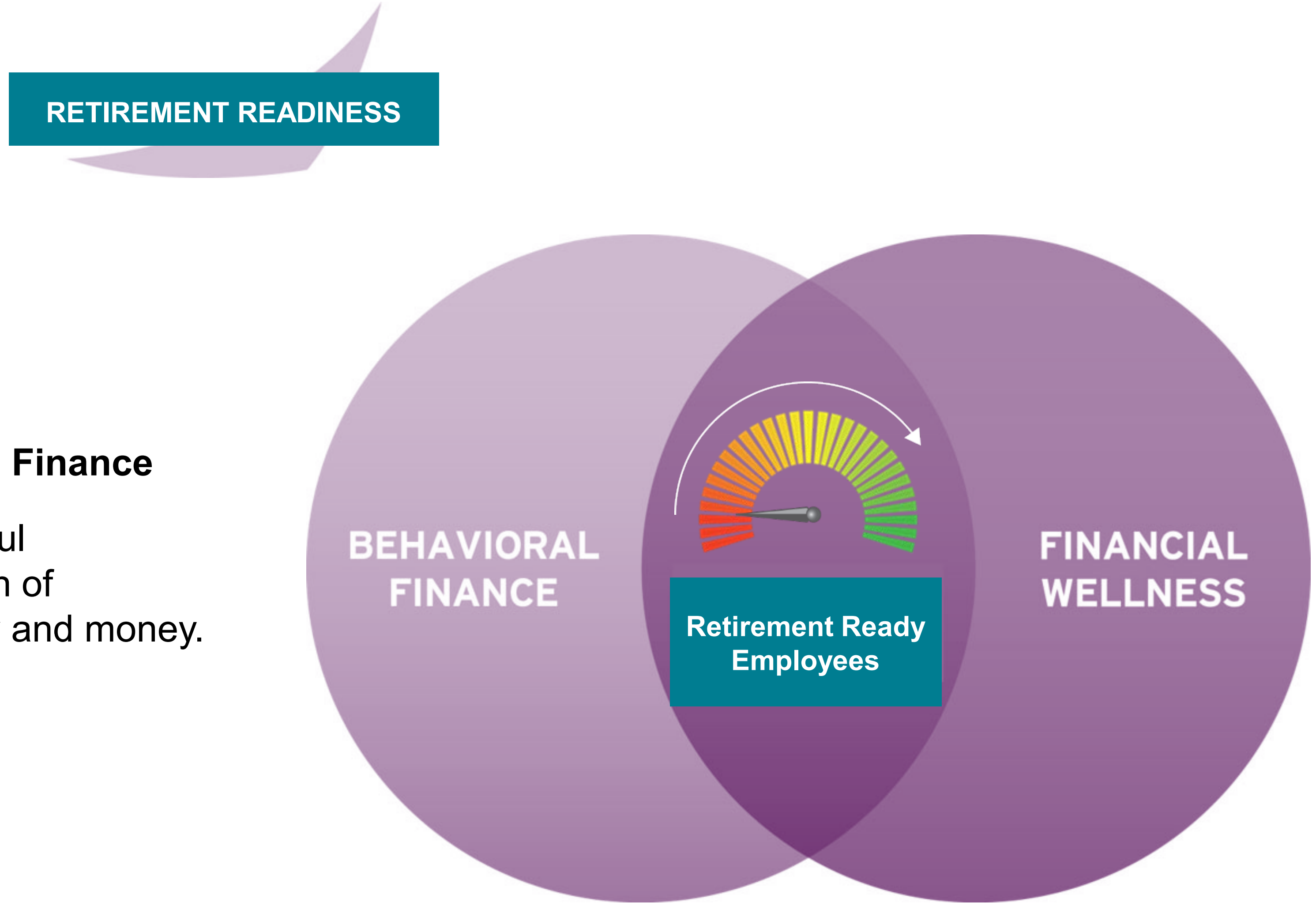
Plan Pricing: Case Study $20M Plan

	RECORD KEEPING REVENUE	ADVISOR	NET INVESTMENT EXPENSE	TOTAL COST
Before	1.01%	N/A	0.40%	1.41%
After	0.22%	0.25%	0.26%	0.73%
SAVINGS TO EMPLOYEES $136,000/YEAR AND GROWING!				**48%**

NFP

Financial Wellness – What Employees Need Help with and How to Engage Them

Creating Retirement-Ready Employees



Behavioral Finance

The powerful combination of Psychology and money.

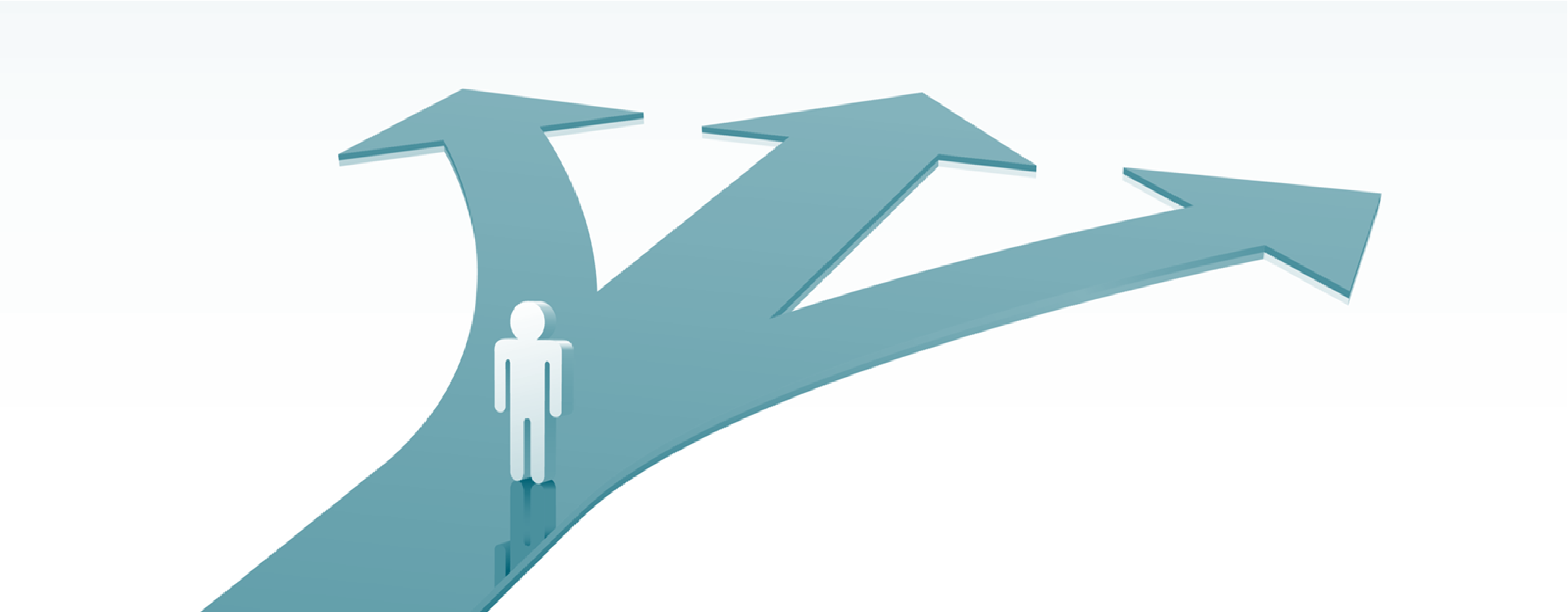
Financial Wellness

A service to help promote employee's financial well-being which will lead to healthier, happier, engaged more productive employees.

What is behavioral finance?

- Behavioral finance studies how mental shortcuts, emotions and other behavioral factors affect the way we make financial decisions.
- Behavioral finance is a relatively new yet evolving science combining psychology and money.

How did we get here?



Our Goal
To Make a Better Retirement Plan

- At least **90%** should be saving for retirement
- Saving rates ought to be more than **10%**
- **90%** should let professionals construct their portfolios
- Call it the **90–10–90** rule or simply Plan Success Goals!

Inertia

12%

☑ donate organs

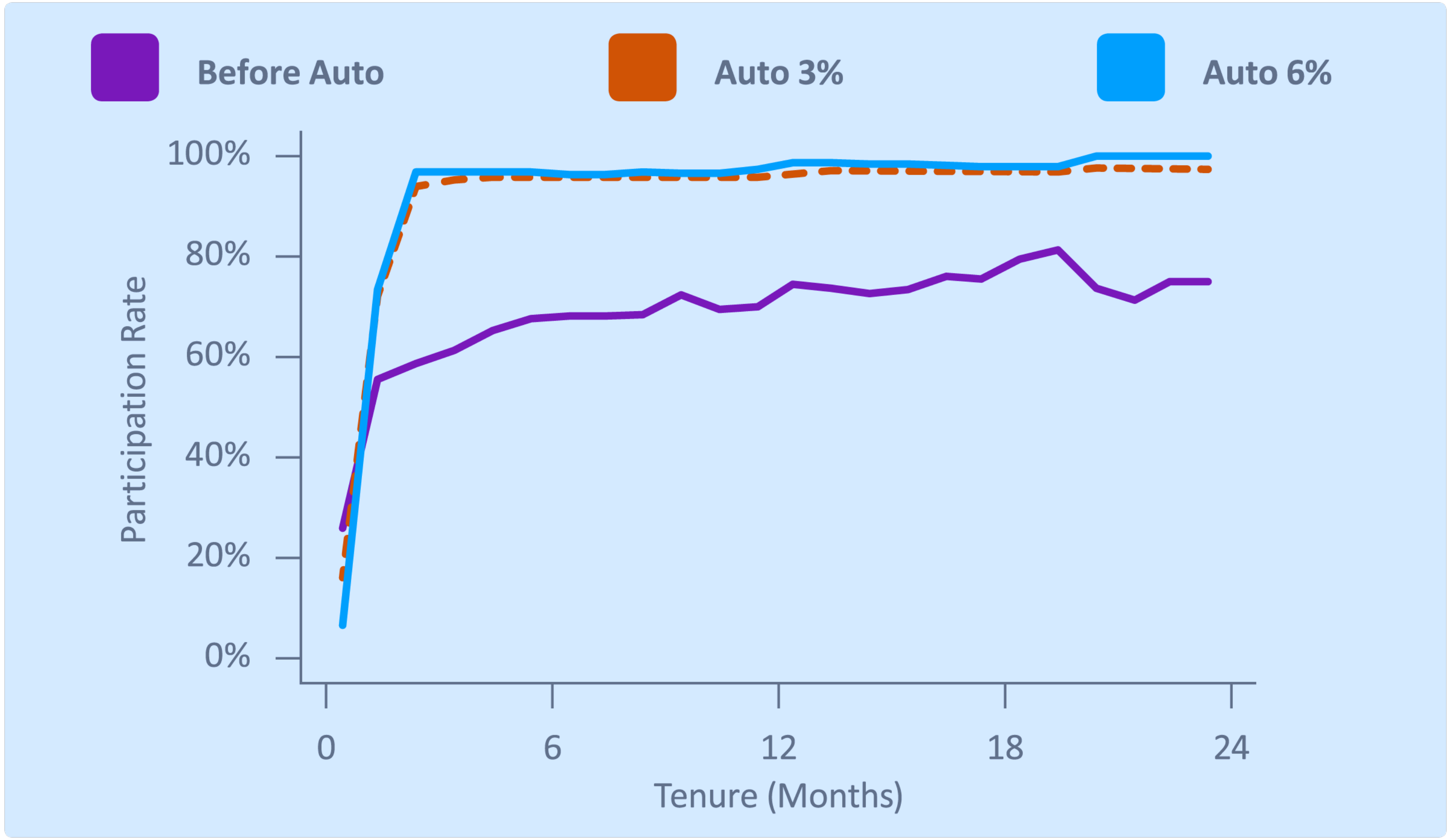
12% Donors

1%

☑ don't donate

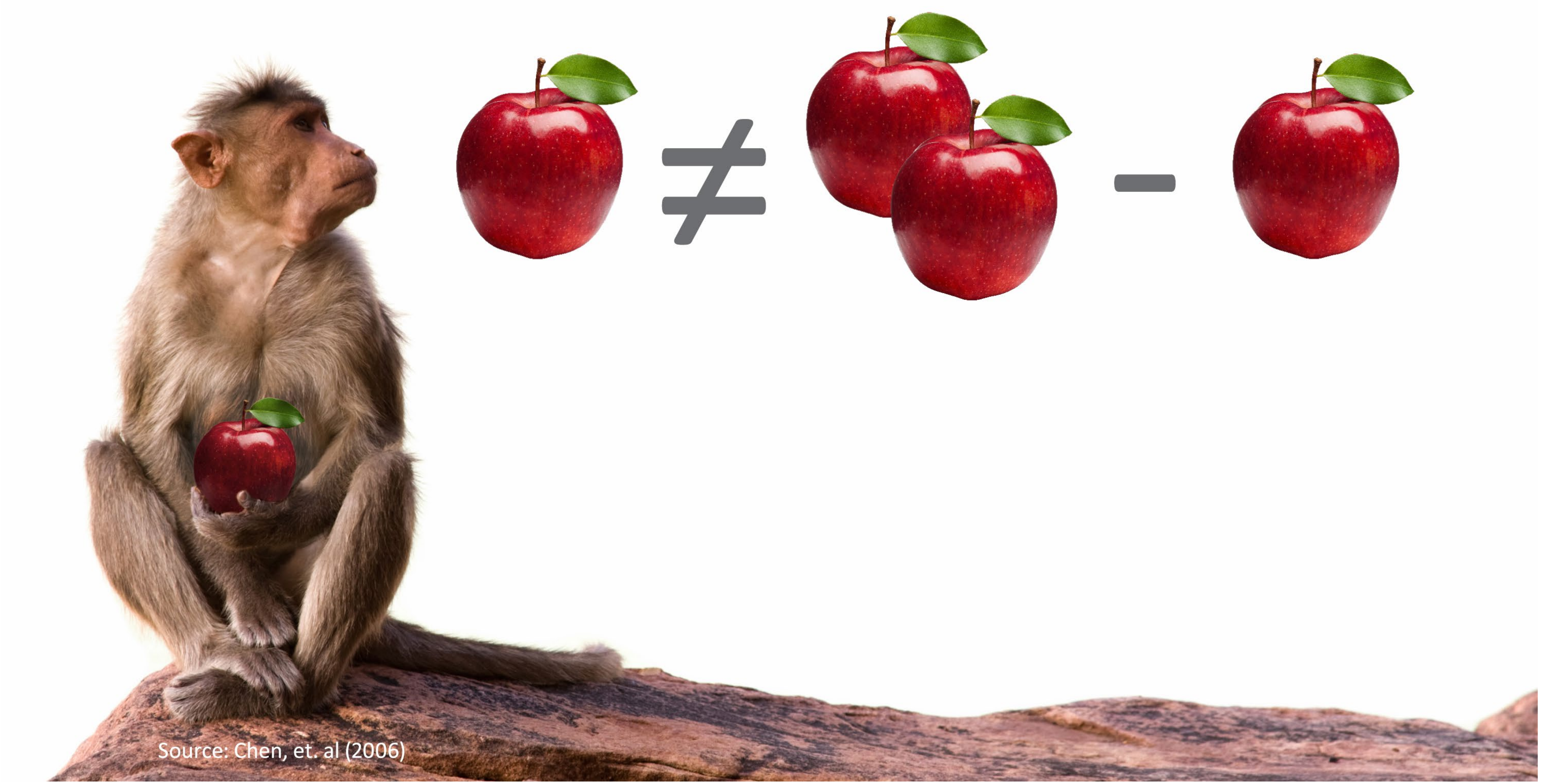
99% Donors

SAVE: Automatic Enrollment & Plan Participation



Source: Beshears, et. al (2009)

Loss aversion

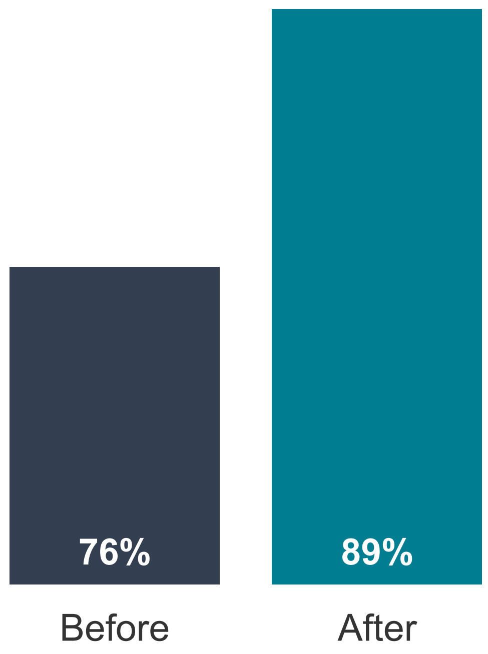


Measurable and Sustainable Goals

HASKELL

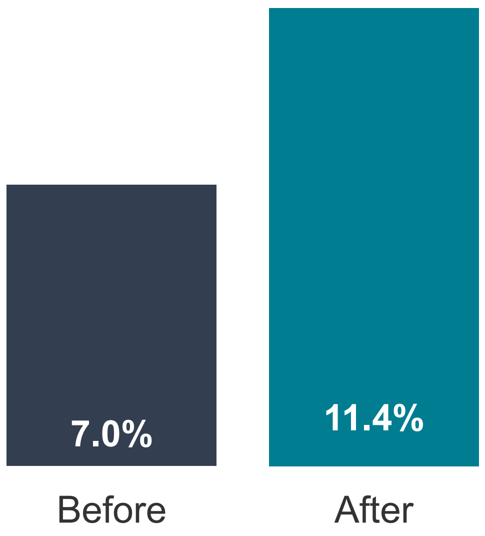
Behavioral Finance solutions help you improve outcomes for employees

Save
Participation Rate



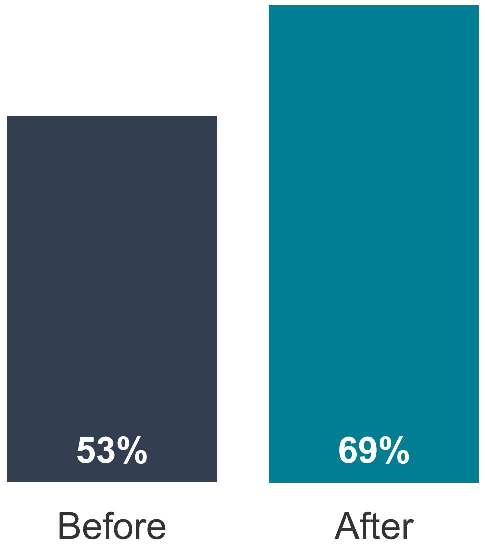
17.1% increase

Save More
Deferral Rate



62% increase

Save Smarter
Participants in Diversified One Stop Portfolio Solution



18.9% increase

Creating Retirement Read Employees

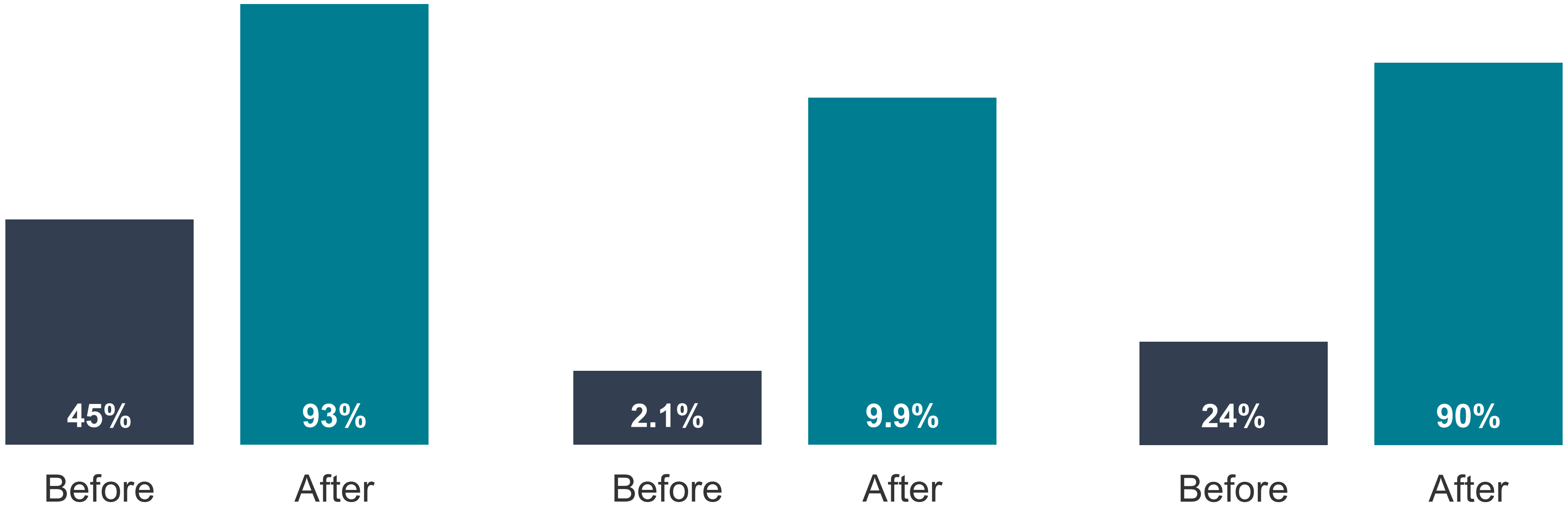
Save, Save More, Save Smarter

Behavioral Finance solutions help you improve outcomes for employees

Save
Participation Rate

Save More
Deferral Rate

Save Smarter
Participants in Diversified One Stop Portfolio Solution



95.6% increase

371% increase

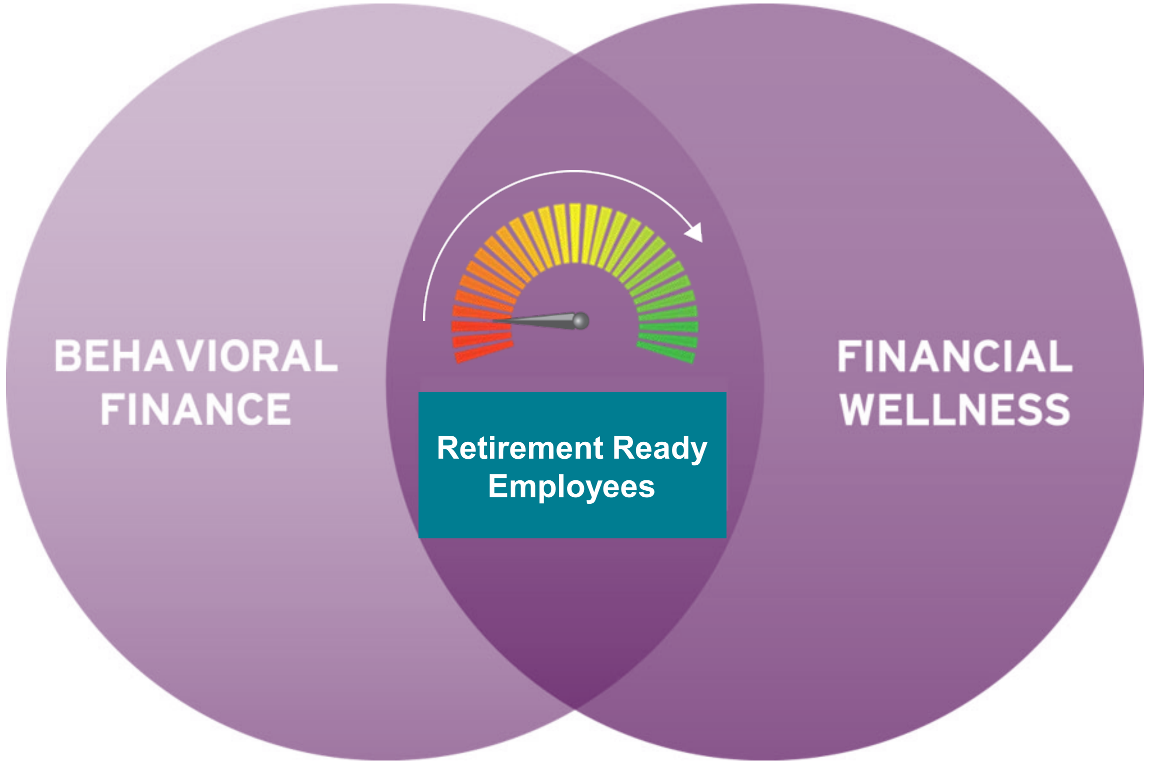
270% increase

Creating Retirement-Ready Employees

RETIREMENT READINESS

Behavioral Finance

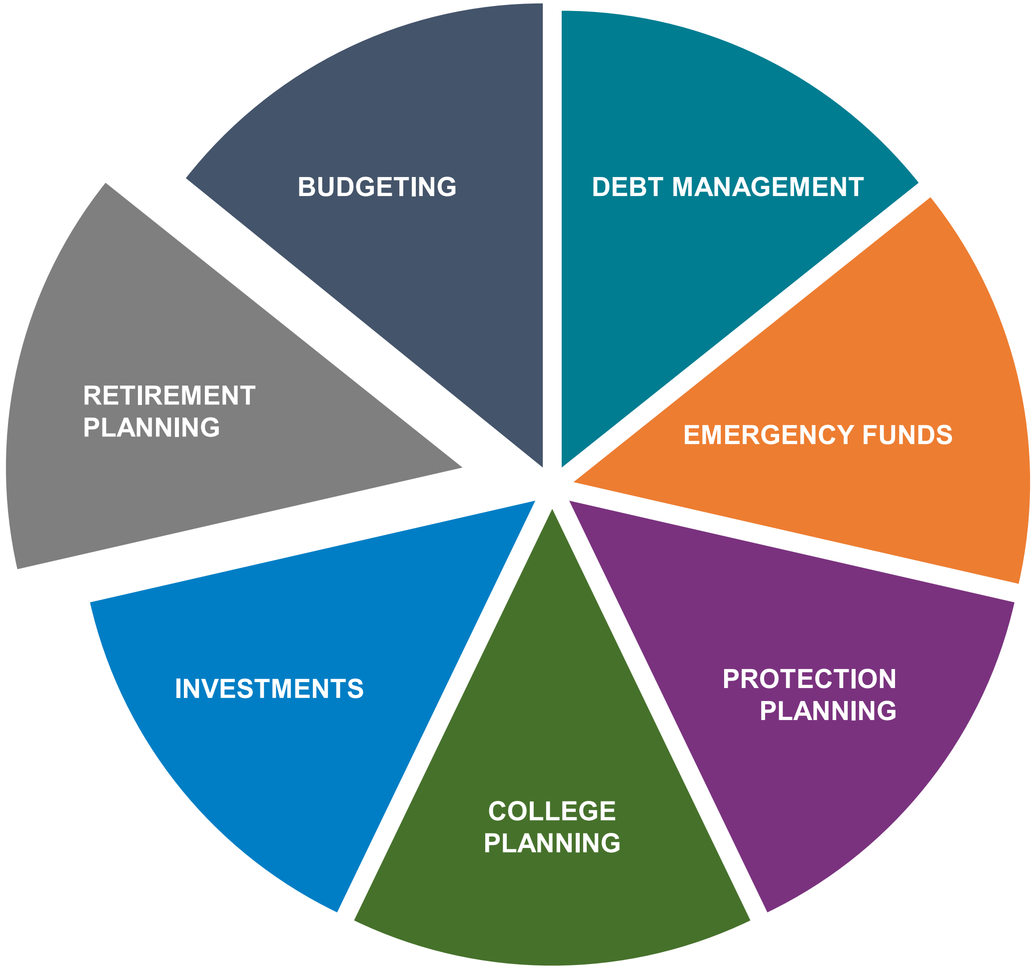
The powerful combination of Psychology and money.



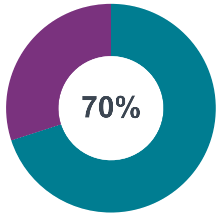
Financial Wellness

A service to help promote employee's financial well-being which will lead to healthier, happier, engaged more productive employees.

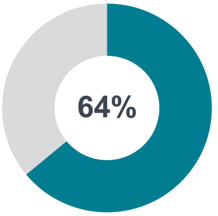
Financial Wellness Programs



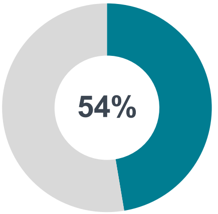
Address near-term financial challenges so employees can make better long-term financial decisions



Americans that live **paycheck to paycheck**[1]



Americans that **can't cover a $1,000 emergency** without borrowing money[3]



Americans that are **not getting financial advice**[2]

1. 2017, CareerBuilder, Living paycheck to Paycheck is a Way of Life for a Majority of U.S. Workers
2. 2017, Mercer, Inside Employee's Minds™: Volume 2
3. 2017, Mercer, Inside Employees' Minds™: Volume 2

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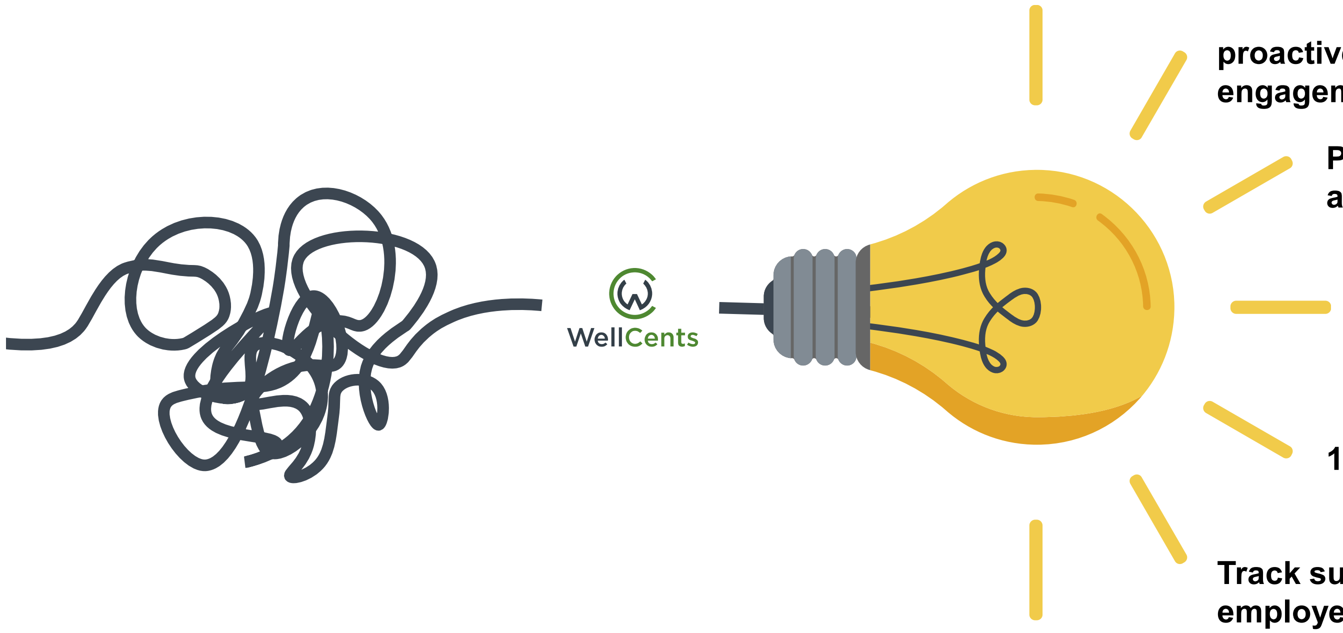
Current State vs Alternative

Employee Financial Stress

- Distracts employees
- Negatively impacts Productivity and Bottom Line

Existing Programs

- Self-Service
- Reactive
- Low Utilization
- Retirement Plan Centric
- Some Service Providers Not Independent/Objective
- HR does NOT have the time to run it
- Doesn't Move the Needle



High Utilization

Increased Employee Retention

Benefits Optimization

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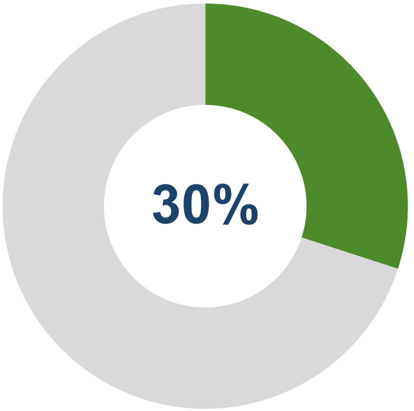
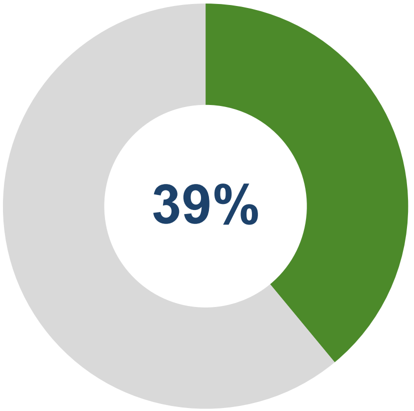
Initial Outreach Case Studies

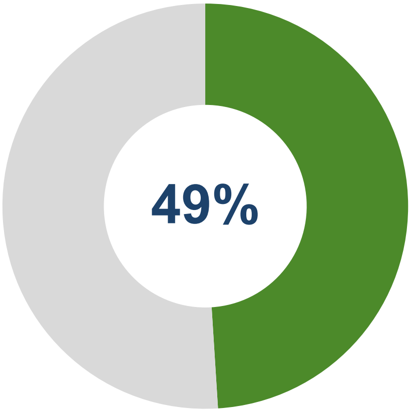
village farms®



CIRCUIT COURT CLERK
SUUM CUIQUE
BREVARD COUNTY, FLORIDA



SARES REGIS GROUP



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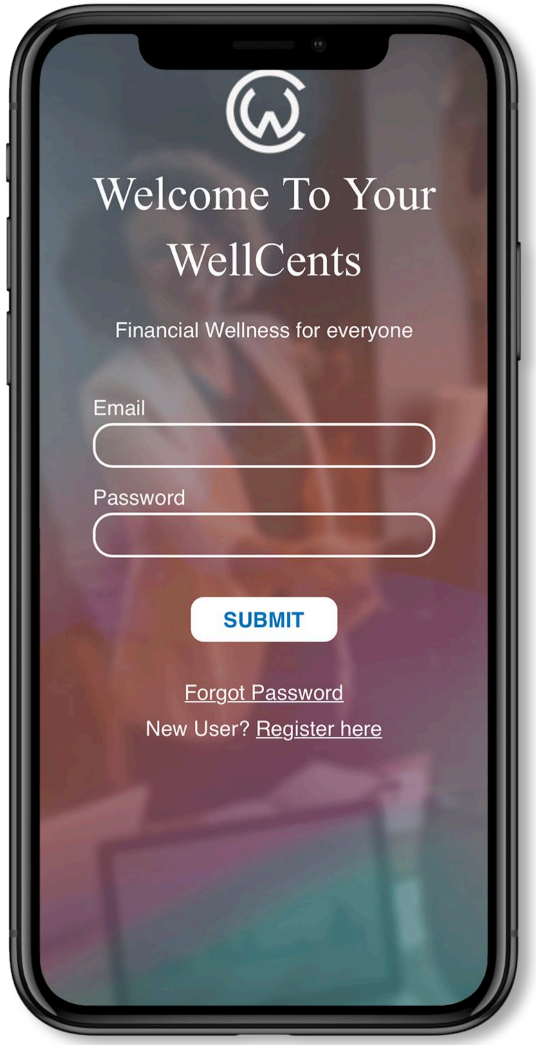
Cohesive Delivery Model

Custom Campaigns to Drive Engagement

Promotion and Engagement



- Proactive employee outreach efforts with contests and prizes encourage employees to participate.
- Customized emails
- Text messaging
- Social media outreach
- Contests and prizes
- Flyers
- Posters with QR codes
- Postcards
- WellCents App

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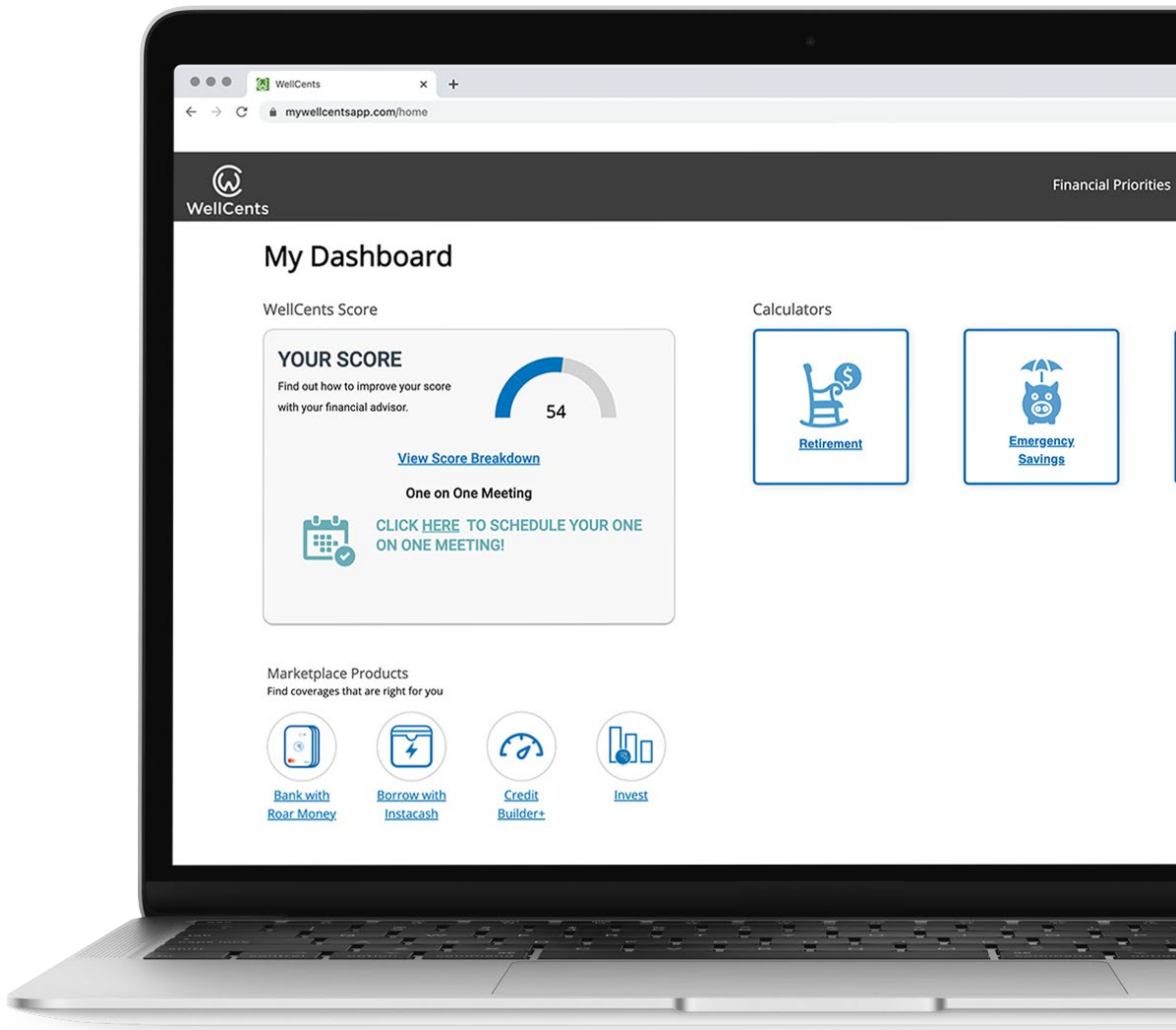
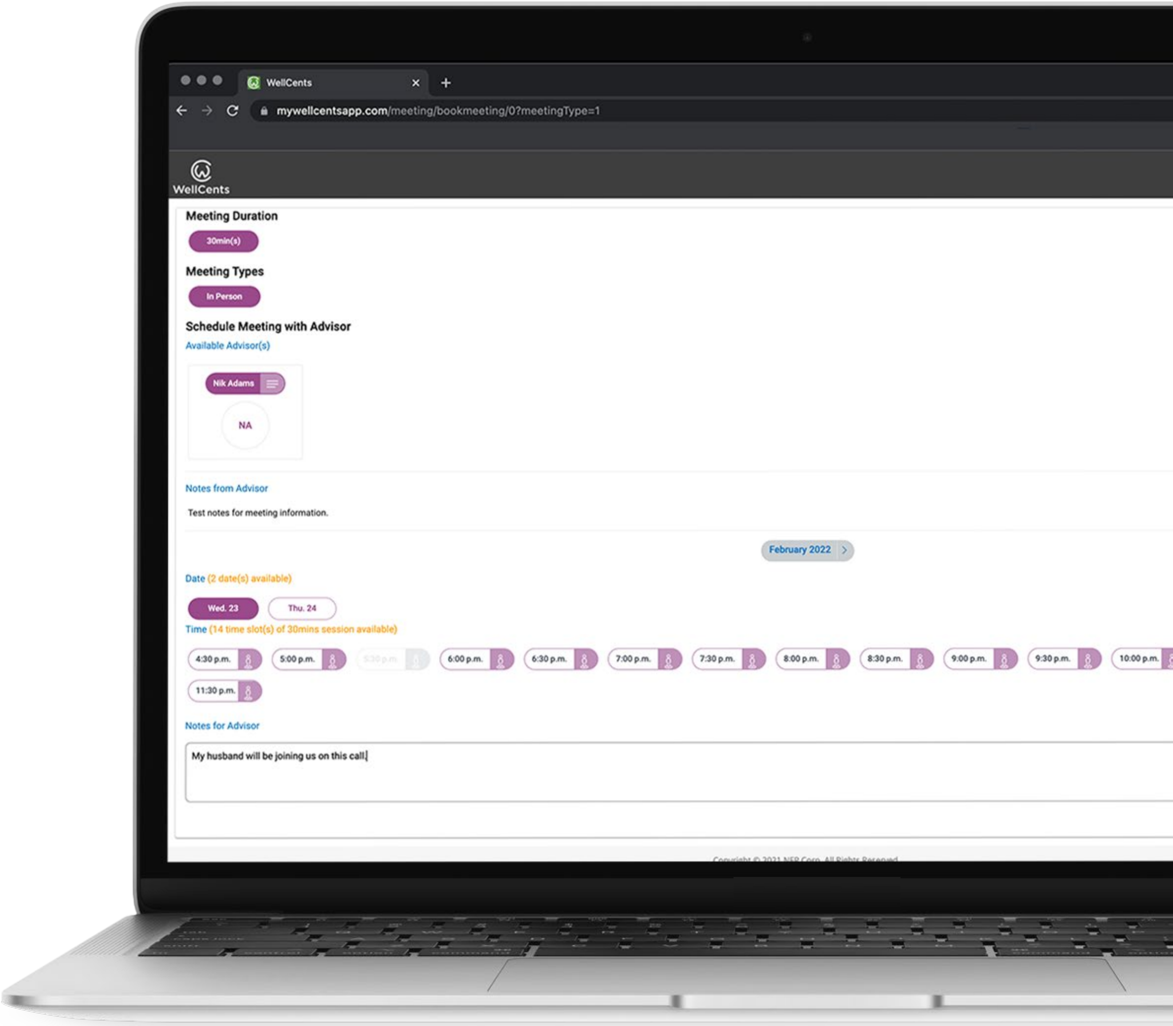
WellCents Scores and Priorities

- Individual score and specific areas of interest form the basis for one-on-one meeting agendas
- Drives efficient, individualized and productive interactions
- Provides the framework for developing personal financial plans for each employee



Scheduling One-on-One Sessions

- Employees select an available time slot via our scheduling calendar.
- One-on-one sessions can be scheduled for
  - In-person meetings
  - Virtual meetings



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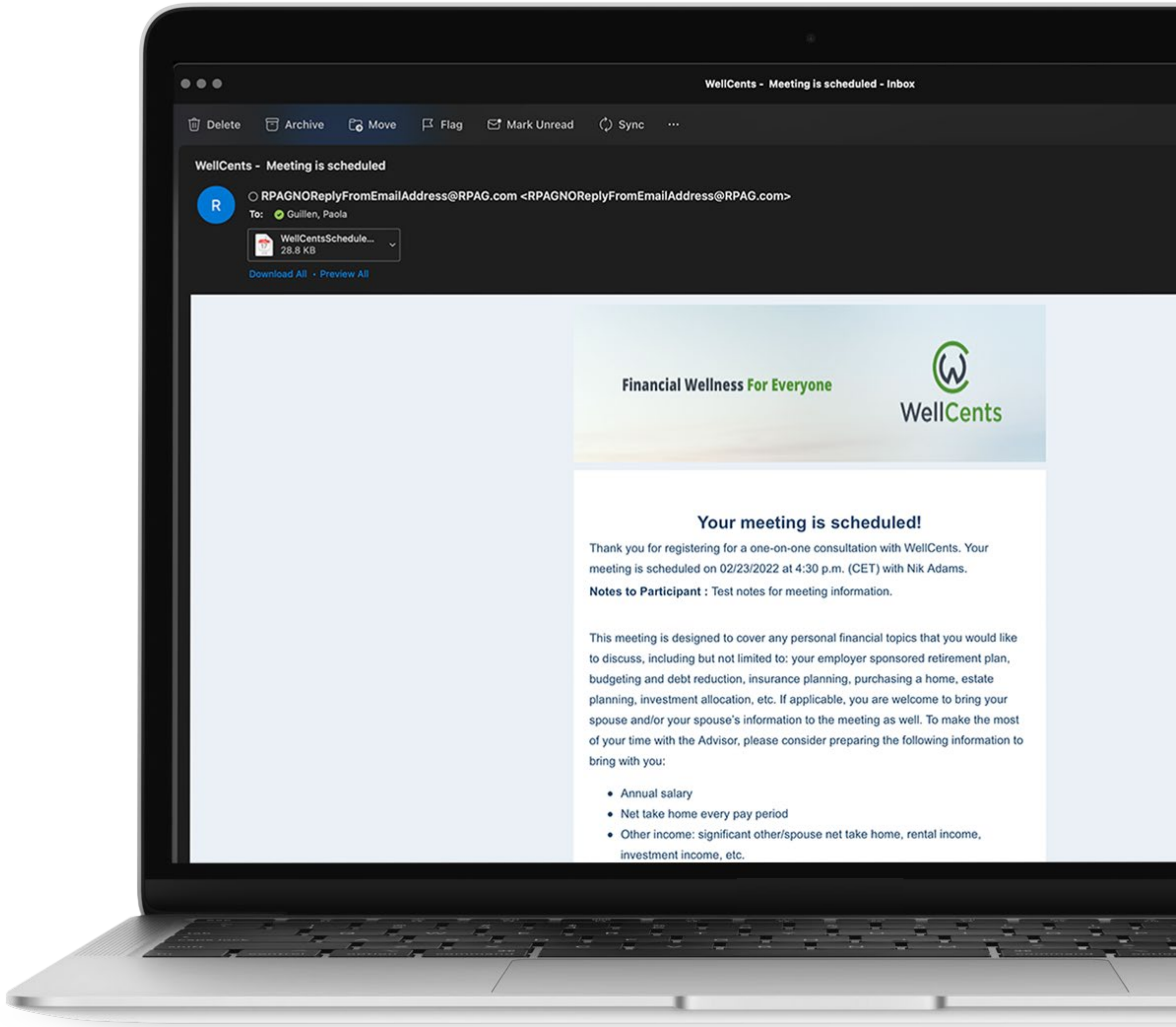
Meeting Confirmation, Instructions and Reminders

- Employees receive the following items after a one-on-one session is scheduled
- Calendar invitation
- Confirmation email
- Link to cancel or reschedule meetings
- Meeting prep instructions and items to bring
- Virtual meeting link or address of the meeting location
- Automated reminders sent as meeting date approaches



Financial Planning Topic Details

Financial professionals provide the knowledge to meet your employees where they need it most

PERSONAL FINANCE

- Managing Spending
- Creating a Budget
- Reducing Debt
- Emergency Savings
- Time Value of Money

RETIREMENT PLANNING

- Retirement Income Basics
- Social Security Basics
- Retirement Income Needs
- Retirement Savings Goals
- Distribution Planning

PROTECTION PLANNING

- Risk Management Basics
- Health Insurance
- Disability Income Insurance
- Life Insurance
- Property and Casualty Insurance

RETIRING WELL

- Longevity
- Fixed Expenses
- Variable Expenses
- Social Security and Medicare
- Retirement Income Solutions

INVESTMENT PLANNING

- Setting Investment Goals
- Identifying Time Horizons
- Understanding Risks
- Identifying Risk Tolerance
- Benefits of Diversification

ESTATE PLANNING

- Estate Planning Basics
- Probate
- Wills and Trusts
- Gifting
- Advance Directives

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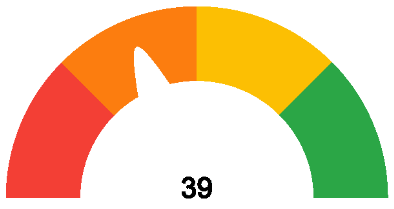
Employer Financial Wellness Reporting

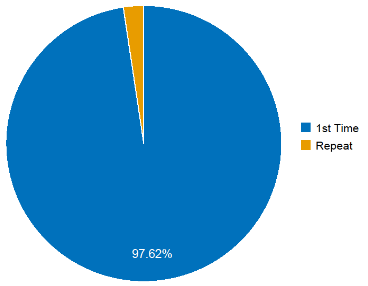


AVG. WELLCENTS SCORE

Personal Finance	52
Investment Planning	39
Retirement Readiness	26
Protection Planning	39
Total Average	39

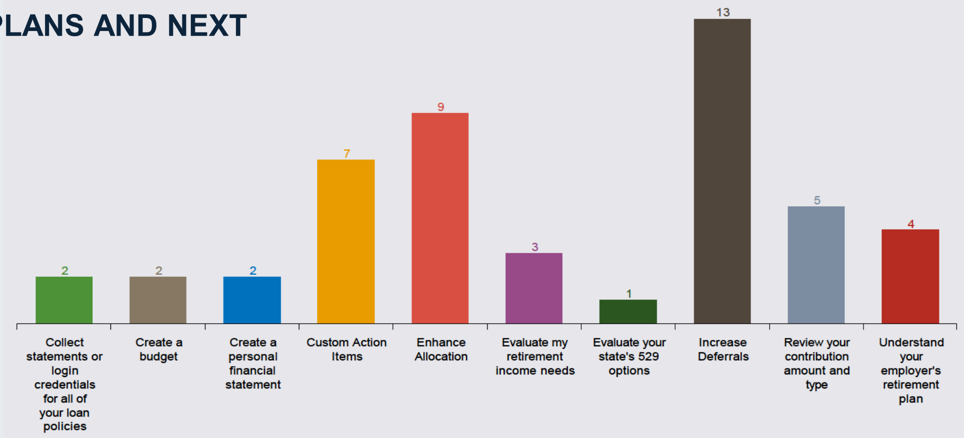
MEETING SUMMARY

IN-PERSON MEETINGS	VIRTUAL MEETINGS	GROUP MEETINGS
0	43	4



2 employees registered for a meeting but did not attend.

ACTION PLANS AND NEXT STEPS



- Provides valuable insights into a workforce's challenges and measures areas of improvement
- Workforce's financial challenges summary
- Workforce financial improvements summary
- Behavioral action planning progress
- Accountability report
- Employee survey results

Financial Priorities

PAY DOWN/PAY OFF DEBT 183	RETIREMENT INCOME PLANNING 143	ESTABLISH AN EMERGENCY FUND 135
HELP WITH BUDGETING 118	BUYING/REFINANCE A HOME 112	SAVE FOR A LARGE PURCHASE 40
SOCIAL SECURITY/MEDICARE PLANNING 36	PROPERLY MANAGE MY INVESTMENTS 27	OPTIMIZE TAX EFFICIENT SAVINGS 22
COLLEGE SAVINGS 20	EVALUATE MY INSURANCE NEEDS 19	ESTATE PLANNING 13

As of 11/21/2021

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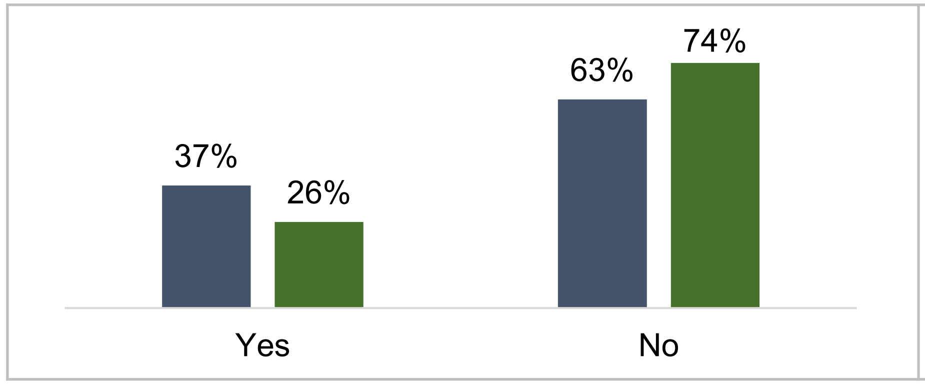
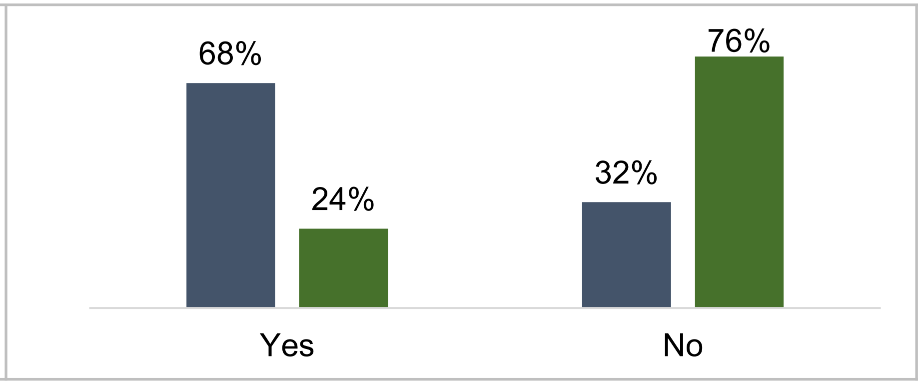
Personal Finance Trends

NOW BEFORE

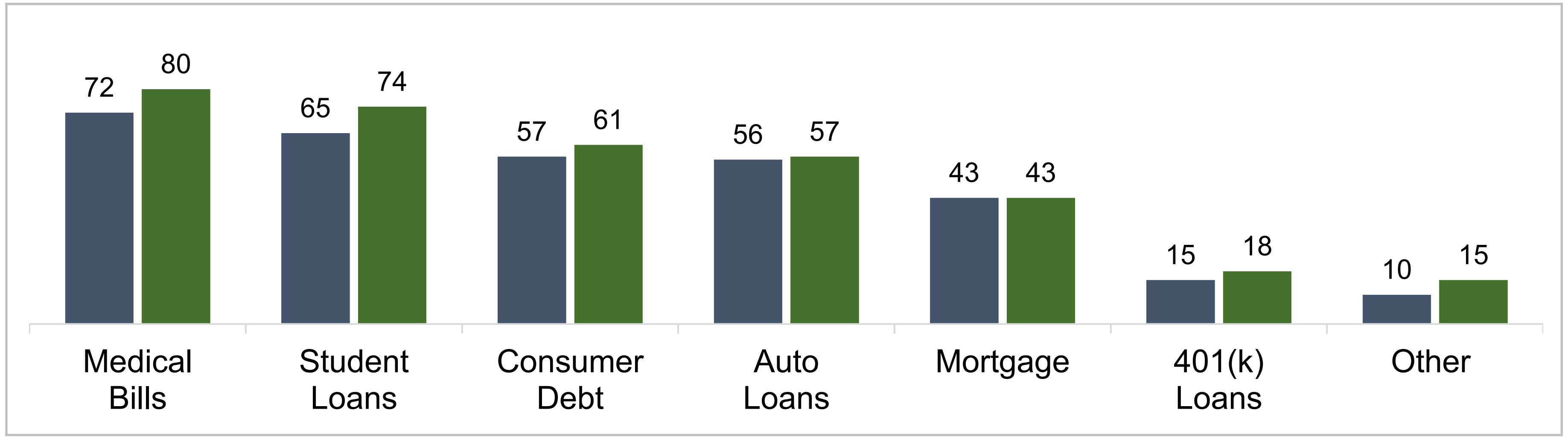
I spend less than I make each month.



I currently have emergency savings.



What kind of debt do you have?



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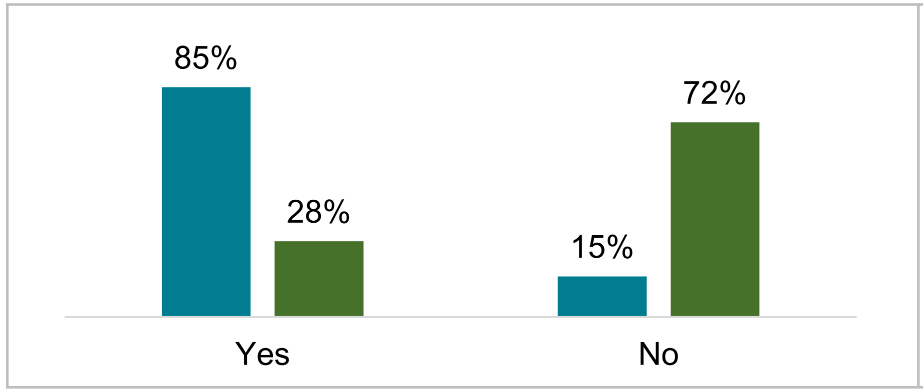
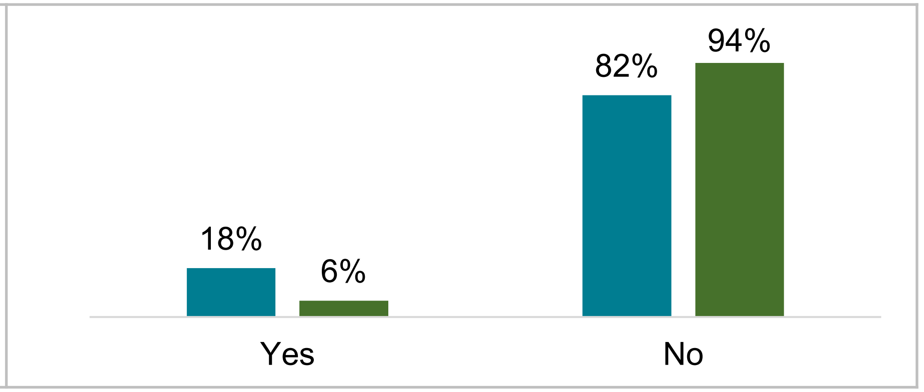
Protection Planning Trends

NOW BEFORE

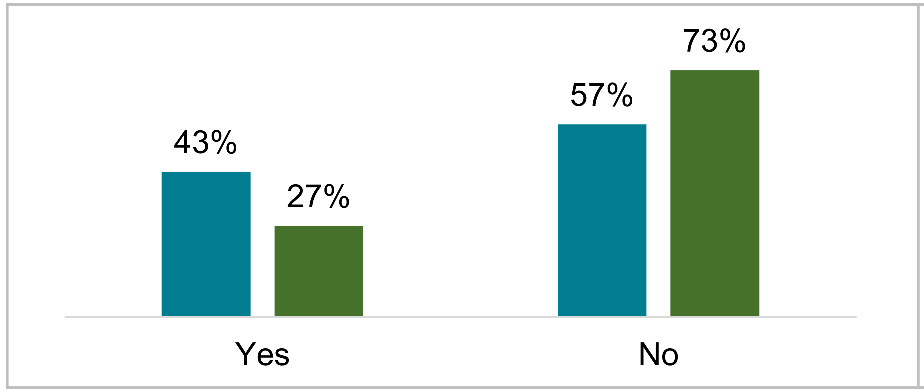
Do you have long-term disability insurance?



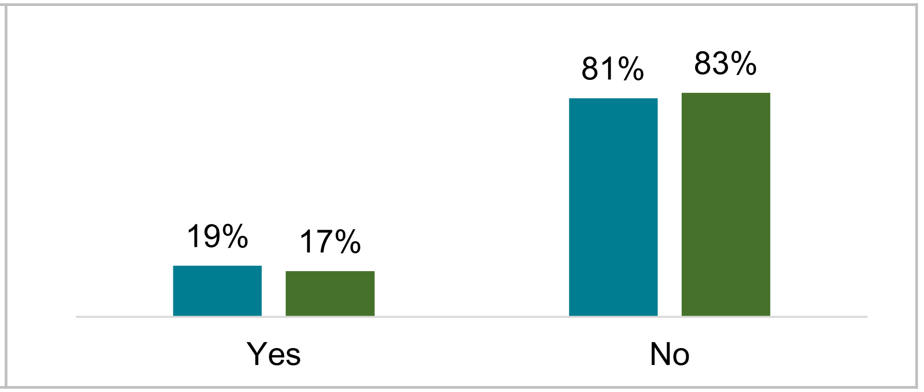
Do you have long-term care insurance?



Do you have access to an HSA?



Do you have a will or family trust?



As of 11/21/2021

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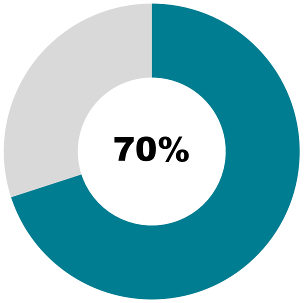
NFP

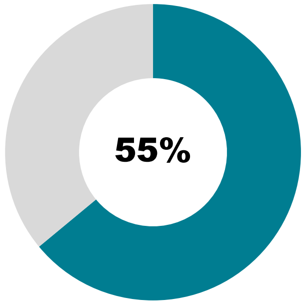
Why Effective Communications Matter

Communication impacts employee's satisfaction more than the benefits offered.

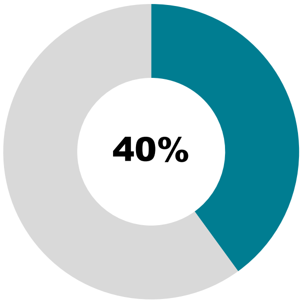
Rich Benefits	Effective Communication	**84%** EMPLOYEE SATISFACTION
Not-So-Rich Benefits	Effective Communications	**76%** EMPLOYEE SATISFACTION
Rich Benefits	Ineffective Communications	**26%** EMPLOYEE SATISFACTION



Employees feel valued or appreciated because **employer's benefits communications are easy to understand**



Employees wish they were **more informed about their benefits** to get more value from them



Americans spend **more than 3 hours a week** dealing with personal finance issues

Source: Effective employee communications drive financials results, Watson Wyatt

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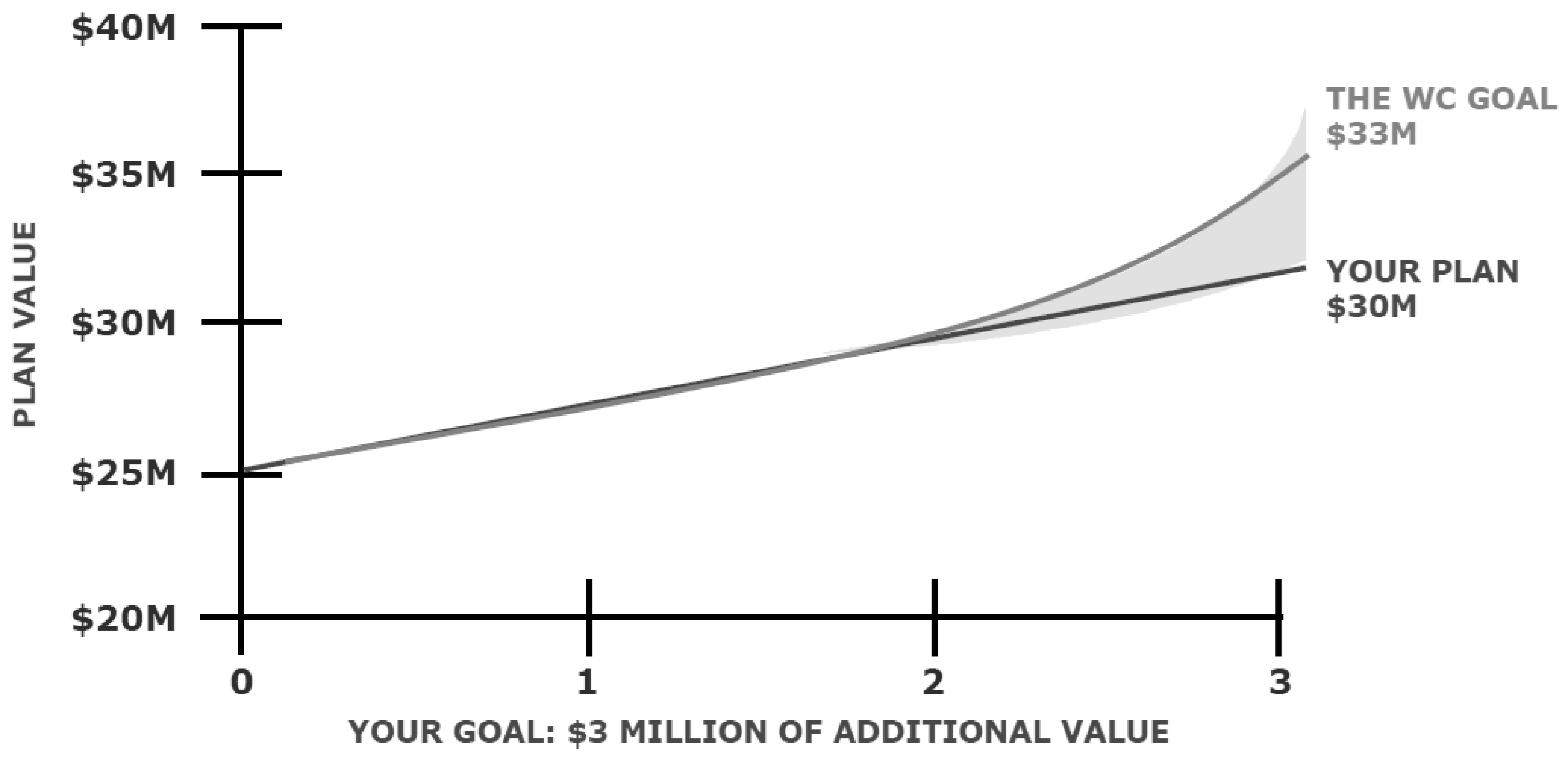
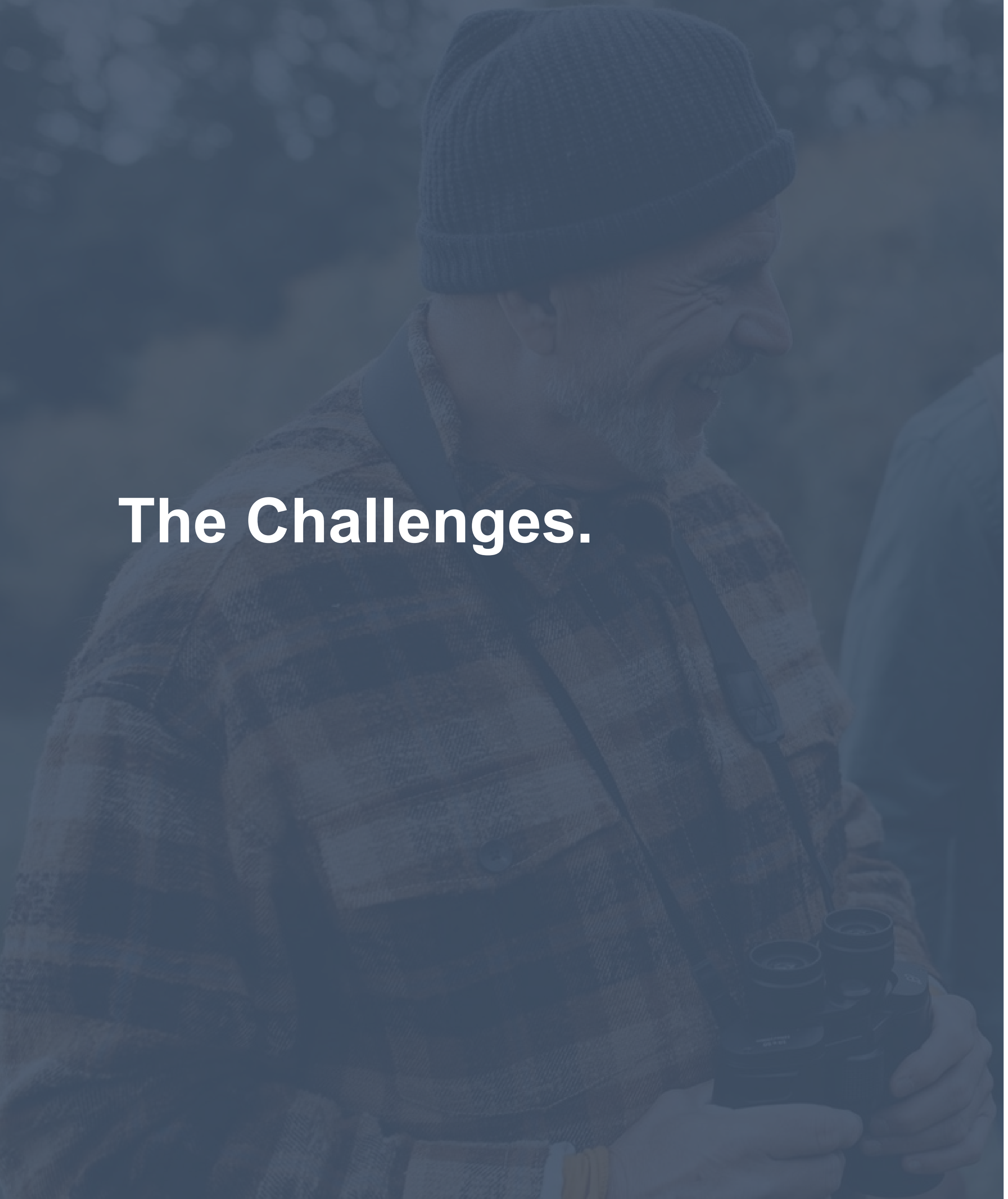
The Financial Wellness Difference

Powerful Combination of Fiduciary Process, Plan Design and Financial Wellness



THE ULTIMATE COMPETITIVE ADVANTAGE

Compensation & Benefits for Top Talent in Today’s World



The Challenges.

The Cost of Delayed Retirement

The Cost of Replacing Key Employees

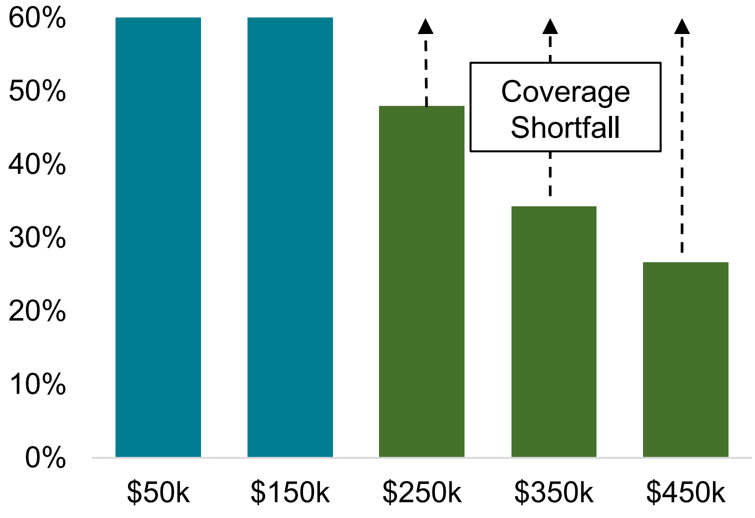
Group Benefit Shortfalls

Benefit Equalization & Restoration

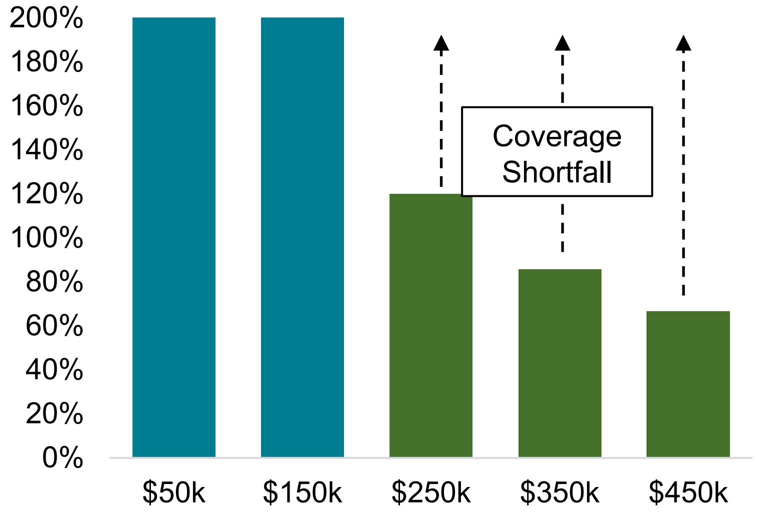
Addressing the unintended shortfalls of group benefit & retirement programs

Whether by plan design, or by way of regulatory limitations, group benefit plans can cause unintended reverse discrimination against highly compensated employees. The regulatory limits on qualified retirement plans, and plan design caps on group disability and life insurance programs create shortfalls that decrease the effectiveness of these valuable programs.

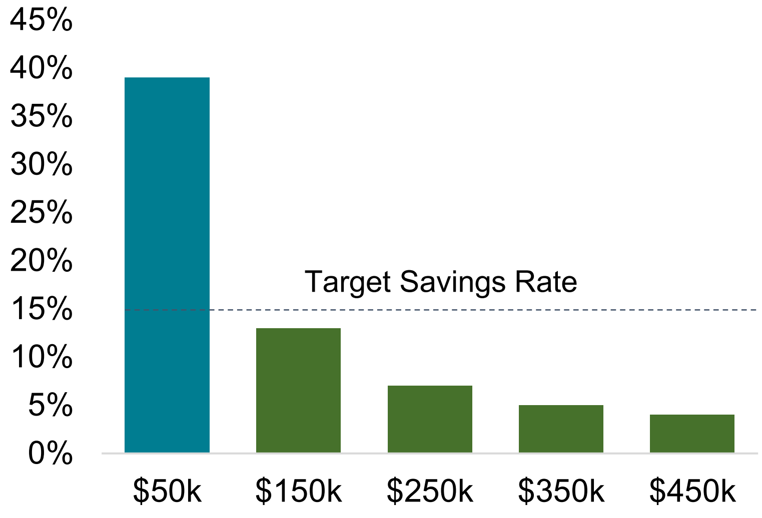
Group Long-Term Disability Shortfall
60% to $10k per month



Group Life Insurance Shortfall
200% to $300k max



Group Retirement Plan Shortfall
$23,000 pre-tax contribution limit

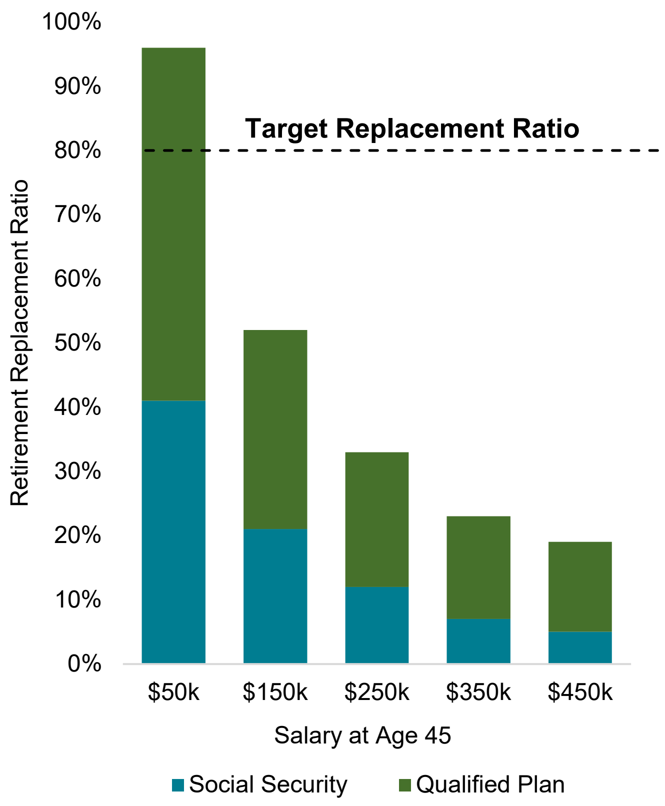


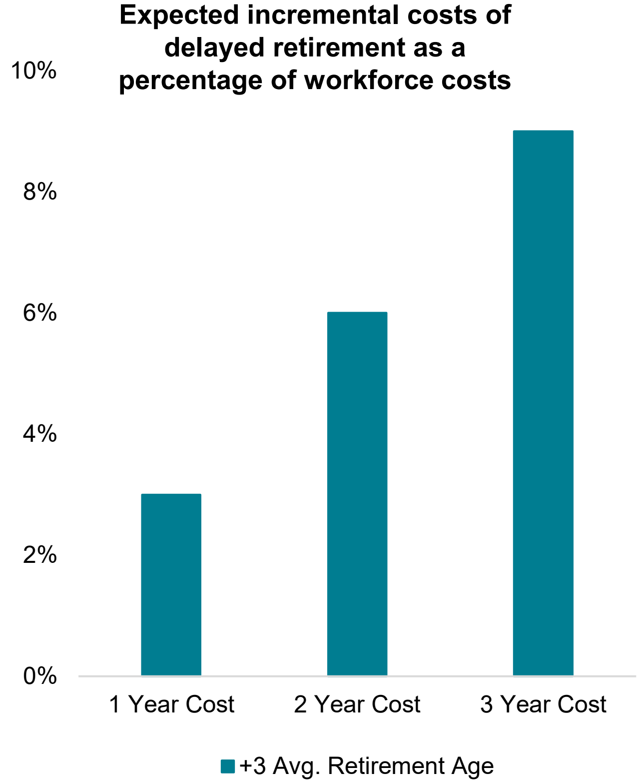
Retirement Completion

Addressing the Costs of Delayed Retirement

Regulatory rules restrict the amount of that can be contributed to tax-deferred plans, like a 403(b). A common rule of thumb is that retirees will need 70-80% of their final income to maintain their standard of living during retirement. Highly compensated employees may only be able to replace 30-50% of their salary — creating a Retirement Income Gap. Executive benefit solutions allow you to bridge the gap, giving you an essential recruiting and retention advantage.

Even diligent after-tax savers may have trouble reaching a reasonable replacement ratio, which may result in delayed retirement.





In addition to the burden on the employee, delayed retirement has a significant impact on the total workforce cost of the employer.

Executive age 45 contributes 10% of their pretax salary to a qualified plan. Employer matches $0.50 of the first 6% contributed. Salary increases 3% per year and contributions are limited to the maximum allowed by law. Contributions grow tax deferred at 7% annual interest. At normal retirement (age 67), the account balance is paid out in 4% installments. Values shown include income from Social Security, and historical contributions to a 401(k), but assume no other sources of income. All values shown are hypothetical, are not guaranteed and for demonstration purposes only. They are not indicative of any security available for sale and your experience will be different from that shown here. Past performance cannot predict future results. Referenced Source: Prudential: Why Employers Should Care About the Cost of Delayed Retirements

Recruiting, Rewarding & Retaining

Build programs to creatively attract and retain top level talent.

In any employment environment, the direct costs to replace a highly compensated executive is estimated to be 200% of the annual salary associated with that position. If indirect expenses are considered, the total cost can increase to 400%. Considering the competitiveness of the upper end of employment market, attracting and retaining key employees is of utmost importance.

Sources: Society for Human Resource Management (SHRM) & Center for American Progress ROEI™: Return On Employee Investment™ How to Achieve It and How to Benefit From It; Sage HRMS White Paper

CEOs GLOBALLY		US CEOs	
Attract and retain talent	1	Attract and retain talent	1
Accelerate pace of digital transformation	2	Modify business model	2
Improve cash flow	3	Develop "Next Gen" leaders	3
Develop "Next Gen" leaders	4	Improve cash flow	4
Modify business model	5	Prepare for financial instability	5
Streamline processes	6	Employ mergers, acquisitions, divestitures	5
Focus more on sustainability	7	Streamline processes	7
Become more customer-centric	8	Accelerate pace of digital transformation	8
Lower costs	9	Mitigate cyber risk	9
Prepare for financial instability	10	Become more customer-centric	10

Note: 917 CEOs responded globally.
Source: The Conference Board® C-Suite Outlook 2022

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