Plan Health Pro® is a diagnostic assessment of retirement plan effectiveness. Using a series of single-select and multi-select questions, the online experience provides advisors with a process for examining and documenting their clients’ overall plan health and administrative roles and responsibilities. This Summary Report serves as historical documentation of plan effectiveness for ongoing evaluation.

Score: Plan Health
Plan Health reflects the combination answers pertaining to the due diligence process combined with a measure of retirement readiness. This determination is made based on factors such as the frequency and type of participant communications, participant sophistication related to investments and retirement saving, and strategies to improve participant asset allocation.

Score: Retirement Readiness
This directionally indicates the degree to which the plan is helping participants be on a course to achieve retirement goals. Factors included in this cumulative evaluation are the plan objectives, plan design, average savings measurements for the plan, and the use of automatic features (enrollment, escalation, etc.).

Score: Due Diligence
Under ERISA, plan fiduciaries must perform all duties with care, skill, prudence and diligence when selecting and monitoring the plan’s investment options, assessing outside service providers, and ensuring reasonable plan expenses. The Due Diligence score reflects a combination of factors involving the review, documentation and reporting activities to directionally determine the degree of due diligence provided to the plan. The Due Diligence score does not relieve the plan sponsor from any fiduciary responsibility, including determination of suitability.
### Plan Objectives

1. The DC plan serves the following role as a retirement plan vehicle for participants:

   - It is their primary source of saving for retirement
   - Higher participation rates and higher savings rates are keys to a successful retirement plan.

2. What is the main objective for the DC plan?

   - Provide employees an opportunity for retirement savings
   - Plan design and participant education may increase plan effectiveness.

3. What is the current participation rate for the plan?

   - 80 - 89%
   - At national averages, additional participant education or plan features like automatic enrollment may increase participation.

4. The average deferral rate (not including company match) in the plan is approximately:

   - 6 - 8%
   - Additional participant education or plan features like automatic increase may increase deferral rates.

5. What is the participants' average account balance in the plan?

   - $100,000 - $125,000
   - Above national averages. Plan design options may further improve plan effectiveness.

6. What is the participants' average tenure at the company?

   - 3 - 10 years
   - Tenure and average ages impact average account balances; plan design options may improve plan effectiveness.

7. Which of the following characterizes the participant base?

   - Evenly distributed between men and women
   - Studies have shown that there is a difference in how men and women approach investment decisions, review investment line-up to evaluate range of options.
8. The average participant at the company has completed the following level of education:

<table>
<thead>
<tr>
<th>College degree</th>
</tr>
</thead>
</table>

Targeted education and appropriate investment options may lead to a more effective retirement plan.

9. The average age of participants in the plan is:

<table>
<thead>
<tr>
<th>31 - 40</th>
</tr>
</thead>
</table>

Participants in this age group may be more concerned with immediate needs of raising a family and paying a mortgage. Consider targeted education to improve retirement plan effectiveness.

10. Is English a second language for a majority of the participants?

<table>
<thead>
<tr>
<th>No</th>
</tr>
</thead>
</table>
Plan Design

1. Plan Assets
   - Match: $2,500,000.00
   - Deferral: $4,250,000.00
   - Profit sharing: $1,500,000.00
   - Rollover: $.00
   - Roth Contributions: $.00
   - Total Plan Assets: $8,250,000.00

2. Plan Participation
   - Number of eligible employees: 110
   - Number of active participants: 88

3. This retirement program includes the following benefit plan types:
   - Defined Contribution, profit sharing, 401(k) plan

   Defined contribution plans allow participants to save for retirement, final values depend on total contributions, length of time invested, and investment performance.

4. What is the auto-enrollment default rate?
   - N/A - The plan does not auto-enroll

   PSCA 57th annual survey reports that 50.2% of plans utilize automatic enrollment as a feature with in their retirement plan.
5. Auto-escalation increases contributions up to the following maximum rate:

| N/A - The plan does not auto-escalate contributions |

PSCA 57th annual survey reports 35.1% of the plans that have automatic enrollment also have automatic escalation.

6. Does the plan offer Profit Sharing contributions?

Yes

7. Does the plan offer Roth contributions?

No

The percentage of plans that permit Roth contributions is 58.2% according to PSCA 57th annual survey.

8. Does the plan offer company match?

Yes

Percent of contributions matched:

- 50 - 74%

Up to a maximum of:

- 4 - 6%

Of plans with company matches 42% use a fixed matching formula according to the PSCA 57th annual survey.

9. Type of Plan Document:

Standard Prototype

10. What are the minimum age requirements for eligibility?

None (Immediate eligibility)

According to the PSCA 57th annual survey, 38.6% of plans have no minimum age requirements.

11. What are the eligibility requirements to receive matching contributions?

None (Immediate eligibility)

45.6% of all plans elect immediate eligibility to receive a match, as reported by the 57th annual PSCA survey.
12. What are the eligibility requirements to receive non-matching contributions?

| 1 year |

50.6% of plans require one year of service to receive non-matching company contributions, as reported by the 57th annual PSCA survey.

13. Who is responsible for evaluating and proposing of initial plan design?

| Advisor/Consultant  
| Recordkeeper |

14. Who is responsible for creating plan documents, adoption agreement and service agreement?

| Recordkeeper |

15. Who handles plan document updates?

| Recordkeeper |

16. Who provides actuarial services?

| N/A |

Fiduciary prudence requires periodic review and documentation of services and responsible parties. Some services may not be applicable to the plan.

17. Who determines participant eligibility?

| Plan Sponsor  
| Recordkeeper |

18. Who is responsible for payroll deduction, including coordination of plan contributions?

| Plan Sponsor  
<p>| Recordkeeper |</p>
<table>
<thead>
<tr>
<th>Question</th>
<th>Answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>19. Who is responsible for participant loans, initial approval and ongoing administration?</td>
<td>Plan Sponsor</td>
</tr>
<tr>
<td>How many loans can each participant have outstanding?</td>
<td>1</td>
</tr>
<tr>
<td>What percent of participants currently have a plan loan?</td>
<td>Over 25%</td>
</tr>
<tr>
<td>20. Who calculates and approves benefit claims from terminated employees?</td>
<td>Plan Sponsor</td>
</tr>
<tr>
<td>21. Does the plan allow in-service withdrawals?</td>
<td>Yes</td>
</tr>
<tr>
<td>22. Does the plan offer hardship withdrawals?</td>
<td>Yes</td>
</tr>
</tbody>
</table>
# Investment Objectives

<table>
<thead>
<tr>
<th>Question</th>
<th>Answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Who is responsible for the Investment Policy Statement (IPS) preparation?</td>
<td>Advisor/Consultant</td>
</tr>
<tr>
<td>Who is responsible for the ongoing review of the IPS?</td>
<td>Advisor/Consultant</td>
</tr>
<tr>
<td>Identify type of investment options:</td>
<td>Core mutual funds</td>
</tr>
<tr>
<td>How many?</td>
<td>11-20</td>
</tr>
<tr>
<td>Who is responsible for reporting investment performance (ongoing monitoring)?</td>
<td>Advisor/Consultant</td>
</tr>
<tr>
<td>When were plan investments last reviewed?</td>
<td>Within the last 3 months</td>
</tr>
<tr>
<td>PSCA 57th annual survey reports that 66.6% of 401(k) plans review investments quarterly.</td>
<td></td>
</tr>
<tr>
<td>Who is responsible for creating the report?</td>
<td>Advisor/Consultant</td>
</tr>
<tr>
<td>What is the reporting frequency?</td>
<td>Quarterly</td>
</tr>
<tr>
<td>Scheduled reporting month(s):</td>
<td>Jan, Apr, Jul, Oct</td>
</tr>
<tr>
<td>The Investment Policy Statement may indicate reporting frequency.</td>
<td>PSCA 57th annual survey reports that 66.6% of 401(k) plans review investments quarterly.</td>
</tr>
</tbody>
</table>
5. Which of the following are used as investment screening criteria?

- 3 year performance
- 5 year performance
- Peer group rank
- Manager tenure
- Fund expense
- Fund rating

6. How often does the Investment Committee meet?

- Quarterly

  - Scheduled meeting month(s):
    - Jan
    - Apr
    - Jul
    - Oct

PSCA's 57th annual survey reports that 66.6% of 401(k) plans review investments quarterly.

7. Who is responsible for scheduling ongoing Investment Committee meetings?

- Advisor/Consultant

  - Who keeps Investment Committee meeting minutes?
    - Plan Sponsor
    - Advisor/Consultant

8. Identify Investment Committee members:

- CFO
- HR Director
- Plan Administrator
- Employee Representative
9. How often does the plan complete investments benchmarking?

Quarterly

Scheduled benchmarking month(s):
- Jan
- Apr
- Jul
- Oct

10. Who is responsible for suitability analysis and ongoing review?

Advisor/Consultant

11. Who is responsible for investment advice?

N/A - The plan does not provide investment advice

In what capacity do they act as fiduciary?
Response not provided for this question.

Investment advice may help plan participants improve their asset allocation.

12. What percent of participants trade among the investment choices in their retirement accounts more than once per quarter?

Less than 10%

The volume of trading activity may indicate a measure of risk tolerance with fewer trades reflecting a more conservative approach.

13. When employees separate from service, the majority of the plan’s participants:

Take a lump sum withdrawal within 12 months

The majority of Plan Participants fall into this category.
## Participant Communication

1. **Are objectives established related to changing participant behavior?**
   - No
   
   Effective communication and education tactics include specific calls to action to drive participant behavior. Remember to measure results after a campaign.

2. **What is the level of participant sophistication related to investments and retirement planning?**
   - Low

3. **Participant communication utilizes the following format:**
   - Generic
   
   Applying personalized information whenever possible may help improve response rates. This may include everything from using the participant’s name to using his or her current behavior in examples.

4. **Who provides the initial participant education enrollment seminars?**
   - Recordkeeper
   
   Initial and ongoing enrollment meetings are planned for the following month(s):
   - Jan
   - Apr
   - Jul
   - Oct
   
   Locations:
   - Home office
   - Regional offices
5. Who provides additional educational seminars?

N/A

Additional participant education meetings are planned for the following month(s):
Response not provided for this question.

Locations:
Response not provided for this question.

Other meeting topics are planned in addition to enrollments
Response not provided for this question.

Prudent oversight requires an understanding of plan services and providers.

6. Participants in the plan have access to the following programs or tools to help them develop optimal savings behavior (choose all that apply):

- Collateral including enrollment kits and fact sheets
- Online information and/or calculators
- Customer service representatives over the telephone
- Semi-annual on-site education meetings

Employing multiple media in a communication campaign may help reach different audiences within the employee population.

7. Who is responsible for participant investment statements?

Recordkeeper

Participant statements sent on the following months:
- Jan
- Apr
- Jul
- Oct

8. Who is responsible for supporting education and communication vendor searches?

N/A

Fiduciary prudence requires periodic review of services and responsible parties. Documentation is required for effective due diligence.
9. Who provides the education and communication planning reports?

<table>
<thead>
<tr>
<th>Recordkeeper</th>
</tr>
</thead>
<tbody>
<tr>
<td>At what frequency?</td>
</tr>
<tr>
<td>Annually</td>
</tr>
</tbody>
</table>

10. Who is responsible for the preparation and updating of the Administration manual?

| Recordkeeper |

11. Who coordinates training for in-house administrators?

| Recordkeeper |

12. Who is responsible for auto-enroll and QDIA required communication?

| N/A |

Fiduciary prudence requires periodic review of services and responsible parties. Documentation is required for effective due diligence.

13. Who provides participant communication enrollment materials?

| Recordkeeper |

14. Who provides employee newsletters?

| Recordkeeper |

15. Who is responsible for the participant call center and website?

| Recordkeeper |
# Due Diligence

1. **Who is responsible for scheduling annual administration and fee reviews?**
   - **Plan Sponsor**

   **Who will generate annual administrative and fee review reports?**
   - **Recordkeeper**

2. **Who is responsible for coordinating the year end planning meeting?**
   - **Plan Sponsor**

   Effective plan due diligence requires periodic review. Fiduciary "Exclusive Benefit" requires plans to be maintained for the benefit of plan participants and their beneficiaries.

3. **Who will act as plan fiduciary in addition to the plan sponsor?**
   - **N/A**

   Plan sponsor have an obligation to understand fiduciary roles, some responsibilities may be delegated. Ongoing plan review and oversight remain with the plan sponsor.

4. **Who provides the fiduciary warranty?**
   - **N/A**

   Fiduciary warranty may help mitigate some liability for the plan sponsor, but responsibility for oversight may not be delegated.

5. **Who is responsible for payroll and segregating employee contributions?**
   - **Recordkeeper**

   **National Firm (ADP, Paychex)**

   Amounts that a participant has withheld from wages must be paid to the plan trust on the earliest date they can be segregated from employer's general assets. A safe harbor exists for plans with fewer than 100 participants.

   Amounts that a participant has withheld from wages must be paid to the plan trust on the earliest date they can be segregated from employer's general assets. A safe harbor exists for plans with fewer than 100 participants.

6. **Who completes the annual census data?**
   - **Plan Sponsor**
7. Who calculates benefits (vesting)?
   - Plan Sponsor
   - Recordkeeper

8. Who is responsible for annual compliance and discrimination testing?
   - Recordkeeper
   - Is there an option for more frequent testing?
     - Yes

9. Who provides trustee services and generates any necessary trust accounting?
   - Recordkeeper

10. Who is responsible for Form 5500 preparation and filing?
    - Recordkeeper

11. Who is responsible for initial and ongoing review of fee disclosure?
    - Plan Sponsor
    - Recordkeeper

12. Who is responsible for IRS and DOL reporting and audit assistance?
    - Recordkeeper
Plan Sponsor Responsibilities

Plan Design
• Determining participant eligibility
• Executing payroll deductions and coordinating plan contributions
• Approving and administering participant loans
• Calculating and approving terminated employee benefit claims

Investment Objectives
• Documenting and maintaining Investment Committee minutes

Due Diligence
• Scheduling annual administration and fee reviews
• Coordinating year end planning meeting
• Completing annual census data
• Calculating benefits (vesting)
• Reviewing initial and ongoing fee disclosures
Recordkeeper Responsibilities

Plan Design
• Completing initial plan design
• Creating plan documents, adoption agreement, and service agreement
• Updating plan documents
• Determining participant eligibility
• Executing payroll deductions and coordinating plan contributions

Participant Communication
• Providing participant investment statements
• Providing education and communication planning reports
• Preparing and updating the administration manual
• Coordinating training for in-house administrators
• Providing participant communication enrollment materials
• Providing employee newsletters
• Providing participant call center and website
• Providing initial participant education and enrollment seminars

Due Diligence
• Generating annual administrative and fee review reports
• Calculating benefits (vesting)
• Completing annual compliance and discrimination testing
• Providing trustee services and generating any necessary trust accounting
• Preparing and filing Form 5500
• Reviewing initial and ongoing fee disclosures
• Completing IRS and DOL reporting and providing audit assistance
Advisor/Consultant Responsibilities

Plan Design
• Completing initial plan design

Investment Objectives
• Monitoring investment performance (ongoing)
• Creating the investment performance report
• Scheduling ongoing Investment Committee meetings
• Documenting and maintaining Investment Committee minutes
• Completing suitability analysis and ongoing review
• Preparing the Investment Policy Statement (IPS)
• Completing ongoing review of the Investment Policy Statement (IPS)
# 2016 Annual calendar with recurring deadlines

<table>
<thead>
<tr>
<th>Month</th>
<th>Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>January</strong></td>
<td><em>Create investment performance report</em>&lt;br&gt;Investment Committee Meeting&lt;br&gt;Investments Benchmarking&lt;br&gt;Participant Statements&lt;br&gt;Initial or ongoing enrollment meetings&lt;br&gt;<strong>January 1</strong> Quarterly and semi-annual entry date for calendar year end plans</td>
</tr>
<tr>
<td><strong>February</strong></td>
<td><em>Form 1099-R distribution reporting to recipient</em>&lt;br&gt;<strong>February 29</strong> <em>Forms 1099-R/1096 distribution paper reporting to IRS (or 3/31 if filed electronically)</em></td>
</tr>
<tr>
<td><strong>March</strong></td>
<td>Notification of Excess Deferral (participates in more than one unrelated 401(k))&lt;br&gt;Corrective distribution for failed ADP/ACP without 10% excise tax (non EACAs)&lt;br&gt;<strong>March 31</strong> Excise Taxes for failure to make timely correction of failed ADP/ACP test for 2014 PY</td>
</tr>
<tr>
<td><strong>April</strong></td>
<td><em>Create investment performance report</em>&lt;br&gt;Investment Committee Meeting&lt;br&gt;Investments Benchmarking&lt;br&gt;Participant Statements&lt;br&gt;Initial or ongoing enrollment meetings&lt;br&gt;<strong>April 1</strong> Quarterly entry date for calendar year end plans&lt;br&gt;<strong>April 15</strong> Corrective distribution for 402(g) excess deferrals</td>
</tr>
<tr>
<td><strong>May</strong></td>
<td><strong>There are no activities for this month.</strong></td>
</tr>
<tr>
<td><strong>June</strong></td>
<td>Corrective distribution for failed ADP/ACP without 10% excise tax</td>
</tr>
<tr>
<td><strong>July</strong></td>
<td><em>Create investment performance report</em>&lt;br&gt;Investment Committee Meeting&lt;br&gt;Investments Benchmarking&lt;br&gt;Participant Statements&lt;br&gt;Initial or ongoing enrollment meetings&lt;br&gt;<strong>July 1</strong> Quarterly and semi-annual entry date for calendar year end plans&lt;br&gt;<strong>July 29</strong> Summary of Material Modifications to plan participants, if applicable</td>
</tr>
<tr>
<td><strong>August</strong></td>
<td><strong>August 1</strong> <em>Annual report of plan (Form 5500)</em></td>
</tr>
<tr>
<td><strong>September</strong></td>
<td></td>
</tr>
<tr>
<td>Date</td>
<td>Activity Description</td>
</tr>
<tr>
<td>--------------</td>
<td>---------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>September 30</td>
<td>Summary Annual Report (SAR)</td>
</tr>
<tr>
<td>October</td>
<td><strong>Create investment performance report</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Investment Committee Meeting</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Investments Benchmarking</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Participant Statements</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Initial or ongoing enrollment meetings</strong></td>
</tr>
<tr>
<td>October 1</td>
<td>Quarterly entry date for calendar year end plans</td>
</tr>
<tr>
<td>October 17</td>
<td><em>Extended deadline for annual report of plan (Form 5500)</em></td>
</tr>
<tr>
<td>November</td>
<td>There are no activities for this month.</td>
</tr>
<tr>
<td>December</td>
<td><strong>Safe Harbor Notice for next plan year</strong></td>
</tr>
<tr>
<td></td>
<td>Supplemental Notice for Safe Harbor Plan that issued Contingent Notice at beginning of year as to whether 3% safe harbor contribution will be made for that year, if applicable</td>
</tr>
<tr>
<td></td>
<td>Qualified Default Investment notice for next plan year</td>
</tr>
<tr>
<td></td>
<td>Auto-enrollment Safe Harbor notice for next plan year</td>
</tr>
<tr>
<td>December 15</td>
<td>Extended deadline for Summary Annual Report (SAR)</td>
</tr>
<tr>
<td>December 31</td>
<td>Prospective amendment to remove Safe Harbor Status for next plan year</td>
</tr>
<tr>
<td></td>
<td>Prospective amendment to Add Automatic Enrollment to Plan for next plan year</td>
</tr>
<tr>
<td></td>
<td>Required minimum distribution date for over age 70 1/2</td>
</tr>
<tr>
<td></td>
<td>Corrective distribution for failed ADP/ACP with 10% excise tax or QNEC distribution</td>
</tr>
</tbody>
</table>

**Nonrecurring deadlines**

<table>
<thead>
<tr>
<th>Frequency</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quarterly</td>
<td>404(a)(5) itemized fee disclosure</td>
</tr>
<tr>
<td>Annually</td>
<td>404(a)(5) fee disclosure (Within 12 months of last annual disclosure)</td>
</tr>
<tr>
<td>As needed</td>
<td>404(a)(5) initial fee disclosure (On or before the date participant can first direct their investment)</td>
</tr>
<tr>
<td></td>
<td>408(b)(2) initial fee disclosure to plan sponsors (Reasonably in advance of when contract is entered into, extended, or renewed)</td>
</tr>
<tr>
<td></td>
<td>408(b)(2) fee disclosure to plan sponsors upon fee change (As soon as practicable, but no later than 60 days)</td>
</tr>
</tbody>
</table>

* Generally, deadlines for IRS and DOL forms are extended to the next business day if due date falls on weekend or holiday.