

San Francisco Deferred Compensation Plan Fee Structure

SFERS has received a number of questions regarding the fee structure of the City and County of San Francisco's 457(b) Deferred Compensation Plan or "the SFDCP".

The SFDCP is a voluntary retirement plan designed to supplement employee pensions. It allows participants to save and invest pre-tax dollars, Roth after-tax dollars, or both through automatic payroll deductions. The plan is completely voluntary and is offered to help full- or part-time employees of the City and County of San Francisco achieve their retirement savings goals.

After an RFP and a lengthy vetting process, the Retirement Board of Trustees voted to engage Prudential as the SFDCP third-party administrator on August 14, 2013. The contract with Prudential took effect on January 30, 2014, and will continue for a period of five years.

As the third-party administrator, Prudential charges participants of the SFDCP a quarterly fee to cover expenses related to the day-to-day operations of the Plan. These general administrative services and other services include recordkeeping, legal, accounting, consulting, and investment advisory, among others.

According to a National Association of Government Defined Contribution Administrators (NAGDCA) report, the SFDCP's fees are low compared to the total plan median, and they remain competitive even in comparison to plans with assets over \$2.5 billion. These costs are currently allocated quarterly at 0.0125% of each participant's account balance. There are additional fees associated with specific investment and personalized services, but these are only charged if a participant chooses to use these services.

For more information about fees associated with the San Francisco Deferred Compensation Plan, please visit the "Understanding plan fees for the SFDCP" link on the [SFDCP About the Plan page](#).