

IMPORTANT NOTICE ON PLAN COSTS

The San Francisco Deferred Compensation Plan (SFDCP) continually aims to provide the best plan management for our participants to help them on their retirement journey. Like all retirement plans, there are costs associated with participating in the SFDCP, for services like plan administration and investment management.

Administrative costs of operating the Plan are covered through participant fees. These include services provided by both the SFDCP and third-party administrator, and covers expenses related to investing the contributions, participant requests to buy/sell investments, distribution and forms processing, communications, and trained representatives to answer questions and telephone inquiries. Additional expenses include producing and mailing account statements, marketing, legal, accounting, and trustee and consulting services.

Quarterly expenses charged to participants have fluctuated over time due to changes in total expenditures, economies of scale and market value of accounts. Because of plan growth and prudent management of costs, the SFDCP accumulated a surplus in reserve funds. With these excess funds, the SFDCP was able to provide a temporary “fee reduction” in which participants did not pay the full cost to cover Plan expenses between 2014 and 2018. During this time, the SFDCP spent down surplus reserves to pay these expenses, allowing participants to enjoy additional savings from already low expenses.

Beginning April 1, 2019, the SFDCP will reestablish its quarterly administrative expense to .0225%.

Example of quarterly costs:

Account Balance \$10,000.00			
Current cost	0.0125%	Cost beginning 4/1/19	0.0225%
Current Amount Deducted	\$1.25	Amount Deducted beginning 4/1/19	\$2.25

Please note that SFDCP administrative costs are still very low compared to other government plans* and remain competitive even in comparison to the largest plans.

For more information on plan costs, please visit SFDCP.org or call 888-733-2748 (888-SFDCP-4U) to speak to a customer service representative.

**2017 NAGDCA (National Association of Government Defined Contribution Administrators) Perspective in Practice Survey Report (based on 2016 results)*

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