

Defined contribution fee benchmarking and vendor search

Understanding plan costs and services

Fee benchmarking

Fee benchmarking educates and protects sponsors

Under the ERISA, fiduciaries have a responsibility to ensure that the services provided to their retirement plan are necessary and that the cost of those services is reasonable. Over the last several years, government scrutiny of fee disclosure and fee reasonableness has increased. We have a proven approach to assist sponsors in identifying all retirement plan fees and benchmarking them for comparableness.

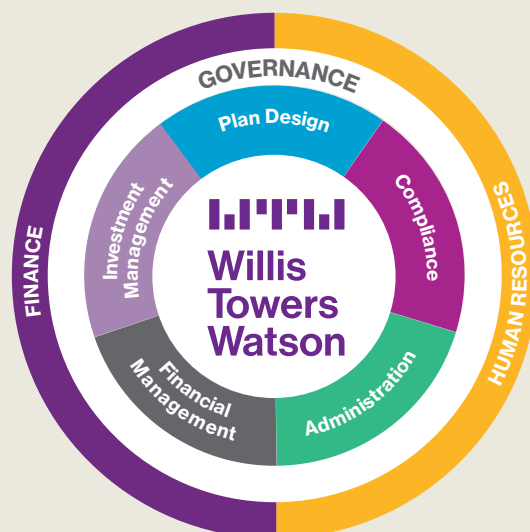
Willis Towers Watson's fee disclosure and benchmarking analysis

What is included in a defined contribution (DC) fee review?

- Review of direct and indirect fees charged to an employer plan sponsor, employee participants and trust assets in connection with a 401(k) or 403(b) plan
- Comprehensive fee analysis, including investment manager fees, administrative fees, transaction fees, soft-dollar arrangements, revenue sharing, 12b-1 fees, float cost and sub-transfer agent fees
- Benchmarking of administrative and investment fees for comparable plans and comparison of services

Fee benchmarking and vendor search help improve your overall plan management

While compliance, investment management and financial management are the focal points of many fee reviews, plan design and administration are equally critical considerations, and are essential components of any vendor search.



Successful outcomes

In addition to helping sponsors meet their fiduciary obligations, fee reviews can:

- Offer a review of marketplace costs for comparable services
- Potentially secure significant savings or allow a sponsor to secure additional services for no additional cost
- Guide contract discussions for new fee and service arrangements
- Help illustrate prudent plan management in the event of a lawsuit
- Have a material effect on retirement income, and help support participant efforts to save and build sufficient income for retirement

Our approach delivers answers and value

We leverage our experience as a premier DC vendor search partner to help clients evaluate their existing fees and, when necessary, negotiate more competitive arrangements.

Fee benchmarking analysis can be included as part of contract negotiations, a broader compliance review or a vendor search.

Vendor search

Our experience provides clients with substantial advantages, including:

Defined contribution expertise. Willis Towers Watson has extensive knowledge of the vendor community. We leverage that expertise and our strong vendor relationships to help you secure competitive fees, receive superior service and fulfill your fiduciary obligations.

Unbiased advice. Willis Towers Watson does not receive revenue from providers for search activity and does not charge providers for their participation in searches. Our clients can be assured that our services are based on objective, results-oriented, client-focused initiatives to reduce costs and increase returns.

Tools and research.

- Willis Towers Watson assigns vendor content experts to manage key provider relationships. These consultants are responsible for staying abreast of product offerings, recent client wins/losses and significant changes to service models for their assigned provider.
- Willis Towers Watson's Retirement Services Vendor Database contains over 35 vendors and includes over 3,000 data elements on each provider's services. Data are reviewed and updated on at least a semiannual basis.
- Willis Towers Watson regularly conducts onsite due diligence visits of major outsourcing providers, in addition to our client-specific site visits. We use our analysis from these visits to produce numerical rankings and more detailed reports of vendor strengths and weaknesses.

When is it time to consider a fee review or vendor search?

Has it been more than three years since you have reviewed and benchmarked fees?

Do you understand the costs associated with the services provided by your vendors?

Is your vendor able to provide additional services?

Are you considering restructuring how fees are assessed to plan participants?

Have you recently had a merger or acquisition?

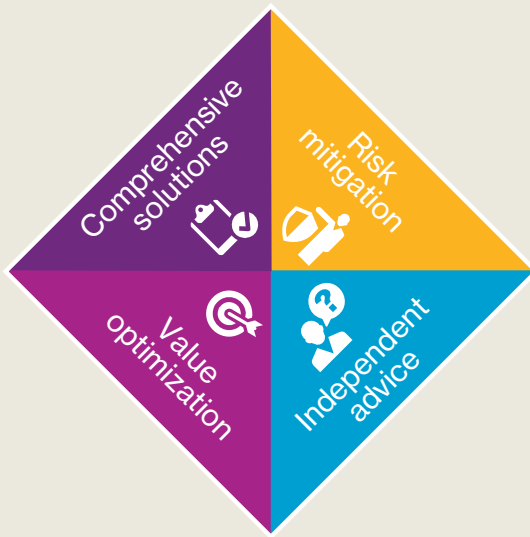
Do you have quality concerns with your current provider?

Do you have new or custom needs that your current provider is struggling to meet?

Did a recent fee review reveal that your fees are above the marketplace average for comparable services?


Willis Towers Watson's benefit advisory and compliance experts are independent

From governance, to design, to administration support, Willis Towers Watson helps you mitigate compliance and operational risk, and gives your fiduciaries improved peace of mind. We offer solutions to help clarify your program goals and, since we are not DC plan administrators, offer independent advice you can trust.



About Willis Towers Watson

Willis Towers Watson (NASDAQ: WLTW) is a leading global advisory, broking and solutions company that helps clients around the world turn risk into a path for growth. With roots dating to 1828, Willis Towers Watson has 40,000 employees serving more than 140 countries. We design and deliver solutions that manage risk, optimize benefits, cultivate talent, and expand the power of capital to protect and strengthen institutions and individuals. Our unique perspective allows us to see the critical intersections between talent, assets and ideas – the dynamic formula that drives business performance. Together, we unlock potential. Learn more at willistowerswatson.com.

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