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November 24, 2008

The Honorable James Kerr, Chair
Legislative Audit Committee
Legislative Services Building
200 East 14th Ave.
Denver, CO 80203

Mary Kay Hogan
Legislative Director
Governor's Office
State Capitol
Denver, CO 80203

Dear Representative Kerr and Ms. Hogan:

The Legislative Audit Committee recently released a performance audit of the State of Colorado Public Officials' and Employees' Defined Contribution Plan and the 457 Deferred Compensation Plan. The audit recommended that the State Deferred Compensation Committee (Committee), the Department of Personnel and Administration (Department), and the Public Employees Retirement Association (PERA) evaluate options for streamlining the structure of these Plans to reduce redundancies and costs, increase efficiencies and the return on investment choices, while ensuring employees have a full range of investment choices.

The Committee, Department, and PERA have been discussing and evaluating options for close to one year. All agree the best outcome is to consolidate the plans under PERA and the analysis supporting this conclusion is attached. For your convenience, the specific audit recommendation is also attached.

Please contact us if we can be of further assistance.

Respectfully,

David M. Kaye, Director
Division of Human Resources

cc: Rich Gonzales, Executive Director, DPA
JoAnn Vondracek, Chair, State Deferred Compensation Committee
Greg Smith, Chief Legal Officer, PERA
Todd Saliman, Director, OSPB, Governor's Office
Christine Murphy, Sr. Policy Analyst, Policy & Initiatives, Governor's Office

Evaluation of Options for State Retirement Plans Administration
November 21, 2008

Goal
Ensure retirement-related plans are managed in the most efficient and prudent manner possible for the benefit of employees and participants.

Purpose
The purpose of this report is to evaluate options for the administration of the State Defined Contribution Retirement Plan and 457 Deferred Compensation Plan.

Background

457 Deferred Compensation Plan
The 457 Deferred Compensation Plan (referred to as the 457 Plan), as authorized in C.R.S. 24-52-101, was implemented in the State of Colorado in 1981 (SB80-120). The purpose of this Plan is to provide a supplemental tax-deferred savings opportunity to employees in addition to their primary retirement plan. As of September 30, 2008, there were 17,495 accounts, 7,232 employees actively contributing, and $335.6 million in assets.

The 457 Plan Committee began entering into agreements with non-state entities in 2004 when school districts were looking to add 457 Plans as an additional option to their already existing 403(b) Plans. The current statute defines eligible employees as city, county, city & county, and any entity paid by state funds. School district employees as part of a county qualify for eligibility to the 457 Plan.

State Defined Contribution Plan
The State Defined Contribution Plan (referred to as the State DC Plan) was originally authorized with legislation in 1998 (HB98-1191) as an alternative to the PERA Defined Benefit Plan (PERA DB). With the initial legislation, only elected and appointed officials were eligible for the Plan. Subsequent legislation was passed during the 2004 session (SB04-257) offering eligibility to the State DC Plan to all new hires after January 1, 2006, except for most employees at four year and community colleges. The same legislation also created the PERA Defined Contribution Plan (PERA DC). With this legislation most state employees (state personnel system or "classified") have three retirement choices: the PERA DB Plan, the PERA DC Plan, or the State DC Plan. In 2007 additional legislation (HB07-1377) allowed employees at community colleges to choose between the two PERA Plan choices.

As of September 30, 2008, there were 1,849 accounts in the State DC Plan with 937 employees actively contributing. The total assets for this Plan were $15.2 million as of that date.

Oversight

The 457 Plan and the State DC Plan are overseen by a nine-member Committee comprising five statutory members and four elected members. The Committee has fiduciary oversight of the policies, procedures, and investments offered by the Plans. The Department of Personnel & Administration (DPA) is responsible for administrative and technical support of both Plans. DPA has a contractual arrangement with Great-West Retirement Services as the single record keeper for the 457 Plan.

The State DC Plan statutes require that the State contract with three bundled providers. Through a competitive bid process in 2004, the State contracted with Great-West Retirement Services, The Hartford, and ICMA-RC to administer this plan. The contractual arrangement for each Plan with each of these providers is July 1, 2005, through June 30, 2006, with four, one-year renewals through June 30, 2010.

The plans are staffed by 2.05 FTE through DPA, specifically assigned from the employee benefits program to be paid directly by the DC Plans. The plans are 100% cash funded by the participants in the plans.

Issues

Providing three retirement choices to new hires (including temporary employees) requires significant engagement by the employee in order to understand the types of plans available, to choose the "right" plan, and to review their investments regularly. There is a 60-day window to make this decision for new hires. Once this window has passed, employees who don't make a choice are automatically defaulted to the PERA DB Plan by statute. If enrolled in the State DC Plan, there is an annual opportunity to change between the three available providers. If enrolled in one of the PERA Plans there is a one-time opportunity to change between the PERA Plans within years 2 through 5 of employment. Beyond the changes mentioned, employees have no opportunity to change between the State and PERA Plans unless they have a break in service of more than 12 consecutive months. As a result, the choice of plan and provider is an extremely important decision, which has lifetime consequences for employees.

There are specific responsibilities associated with administering both the State DC and 457 Plans that cannot be administered by the investment providers. Therefore, plan oversight by staff that has expertise in these types of plans is critical in the following areas:

General Oversight

- The State may be needlessly duplicating overhead by having both PERA and DPA administering defined contribution retirement and supplemental savings plans.

- The Committee and DPA recognized that staffing is inadequate for proper administration. With adequate staffing, eligible employees will receive accurate, clear, and complete information in order for them to make a well-informed decision. The Fiscal Year 2006 and Fiscal Year 2007 financial audits of the Plans and the recent October 2008 performance audit of the Plans substantiate this problem.
- Duplicate 401(a) defined contribution retirement plans are not serving new hires.
    - Too many intricacies in plan choices create confusion for the workforce and are difficult to administer. "Colorado is currently the only state in the country that offers employees' choice between two different defined contribution plans for their primary retirement plan."[1]
    - Eligible choices vary by retirement plan, and depend on when and where the employee was hired, for both retirement and supplemental plans. All employees are eligible to enroll in the supplemental State 457 Plan regardless of the basic retirement plan they choose. However, enrollment in the supplemental PERA 401(k) Plan is reserved only for those who choose one of the PERA basic retirement plans, not the State DC Plan.
    - A survey of new hires, conducted in 2007 by the Providers, showed that although they may have received timely information on retirement choice there was an overwhelming response of confusion over choices and frustration especially with only 60 days to make the decision.
    - There are two subgroups with different open enrollment options within the State DC Plan, those hired prior to January 1, 2006, and those hired after January 1, 2006. Therefore additional administration of this Plan is required to keep the groups and their unique characteristics recorded properly.

Control and Authority

- The new risk assessment requirements in auditing require access to all payrolls, but the Office of the State Auditor has noted that it cannot audit non-state payrolls. There are 13 state payroll systems that do not necessarily interface, 12 of which are outside of plan management's direct administrative oversight. This also hinders the oversight for auditing purposes. PERA, on the other hand, has access to salary information for all employees of all participating employers, thus ensuring administrative oversight for all participating employers.
- While DPA trains department administrators and provides marketing materials, it has little control over state departments' delivery of orientation information or access to facilities, which is necessary to ensure that employees receive educational guidance in choosing retirement options. Further, the Department has no control over non-state employers.
- The plans' educational efforts are in competition with PERA sessions and may impede employee choice of supplemental plans.

[1] Report of the State Auditor Performance Review of DC Plans October 28, 2008

Plan Administration

- Providing a connection between the investment companies, the participants, the Committee, and the payroll staff who support the employees is essential. With a decentralized system, such as the State, and 17 non-state entities participating in the 457 Plan, consistent oversight is difficult.
- Independent reports by Arnerich Messena (2007)[2] and by the State Auditor's Office (2008)[3] both indicate that the current multiple provider statutory requirements in the State DC Plan are detrimental to participants. Both reports refer to choice of plan/provider. Choice of a plan/provider is not the same as investment fund choice. Too many investment fund choices results in inefficient monitoring of providers and redundancy of funds offered. Several audits[4]/[5], including the recently released DC Plans Performance Audit cited above, reported that investment fund choices should be controlled to a reasonable number (12 to 14) and provide the full range of the risk spectrum. Administration of plans includes managing performance standards and overall contract oversight for each provider, as well as ensuring proper accounting for plan assets.

Legal

- The Committee must ensure that both Plans maintain the status of a qualified plan as defined by Internal Revenue Code and ensure that all the federal regulatory requirements are met at the plan level.

Potential Administrative Options for Plans

1. Consolidate administration of the State DC Plan and the 457 Plan with PERA
2. Leave the Plans at DPA but change the statutory requirements for the State DC Plan and add additional staff
3. Create a separate authority to administer both Plans
4. Consolidate only the State DC Plan with PERA's DC Plan and retain the 457 Plan at DPA with additional staff
5. Make no changes, administration remains at DPA

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[2] Defined Contribution Plan Recordkeeping Analysis, Multiple vs. Single Providers (December 2007)
[3] State of Colorado Public Officials' and Employees' Defined Contribution Plan and 457 Deferred Compensation Plan Department of Personnel & Administration, Performance Review (October 2008)
[4] Evaluation of Optional Retirement Plans of Higher Education Institutions (August 2002)
[5] Colorado County Officials and Employees Retirement Association Performance Audit (May 2004)

Discussion of Options

1. **Consolidate the administration of the State DC Plan and the 457 Plan with PERA**
   This option transfers fiduciary responsibility for the Plans from the Committee to PERA. The Committee has met with PERA representatives multiple times to discuss concerns and opportunities as part of due diligence. These issues and PERA responses are summarized here.

   - **Oversight – The Committee has direct oversight over these two Plans. PERA contracts administration of its DC and 401(k) Plan to a contractual third party administrator, ING. The Committee has concerns about potential degradation of oversight and customer service for the current 457 and State DC participants. Additionally, the Committee inquired about adding a representative specifically for these Plans to PERA's oversight structure.**
     - PERA discussed internal committees that provide oversight for its current DC and 401(k) Plans.
       - An Investment Advisory Committee (IAC) meets quarterly (more often if needed) to discuss currently offered mutual funds, changes to the offered investments, IRS regulations changes, and other issues. The PERA IAC consists of the Chief Financial Officer, Chief Investment Officer, Chief Operating Officer, Customer Service and Communication Directors, Equity and Fixed Income Director, the Chief Legal Officer, and PERA's contractual investment advisor, all of whom review the performance of the investment choices, plan design, discuss the current mutual funds and whether changes should be made, IRS changes, operational matters, etc.
       - The Customer Service Committee, consisting of internal staff, meets with its third-party administrator quarterly (or more frequently if needed) to discuss service issues, outreach, loans etc., and problem resolution. PERA provides an electronic customer service system that creates a list of complaints and documents each case.
         - PERA reported that CEM Benchmarking Inc. provided an independent peer-to-peer review on customer service and ranked PERA Number 1.
       - Finally, the Benefits Subcommittee of the PERA Board reviews input from these two committees before submission to the full Board. There is also an audit subcommittee.
       - PERA believes that participants for these Plans are already represented on the Board through State Employee and School District representatives. The State Plans do not provide specific representation on the Committee for non-state participants; however, all participants are eligible to vote for the elected members.
   - **Different vesting schedules**
     - The State DC Plan statutorily requires 100% vesting of the employee and employer contributions upon entry into the Plan. PERA's DC Plan uses a 5-year vesting schedule – starting with 50% vesting in year 1 of the member's

participation and increasing 10% per year to full vesting in year 5. PERA has indicated that it intends to retain this 5-year schedule for new participants upon consolidation. Existing State DC participants would be "grandfathered" with immediate 100% vesting. PERA's evaluation indicates that no other DC plans, offered in other states, provide 100% vesting, which was confirmed by DPA staff research. Additionally PERA does not want several subgroups within this Plan. Finally, a choice between vesting schedules increases complexity and makes the Plan confusing for potential participants. PERA states that forfeitures with a 5-year vesting schedule offer savings that keep the plan cost effective.

  - PERA will ensure that the plan does not discriminate in favor of highly compensated employees as a result of the vesting schedule.

- **Fee Cap – Currently fees for participants in the 457 Plan are capped by statute at 1% of their current balance. Fees for State DC plan participants are capped at 1% in the Bundled Providers' contracts. The Committee would like PERA to consider keeping those caps. It also inquired as to whether fees for participants will increase.**
  - PERA plans to assume the remainder of the Great West contract such that 457 Plan participants would continue with the existing fee structure until June 2010. PERA has not yet determined what the operating costs for the 457 Plan would be and nothing has been negotiated yet. However, PERA believes that all participants should share equally in costs. PERA tracks expenses closely for the separate trusts and also believes it can bring the cost to participants down. PERA will continue to fully disclose all fees to participants.
  - The Committee recognizes that higher fees are a disincentive to participants in joining either Plan. PERA believes fees should be no higher and will likely be lower due to the size of the assets and resulting purchasing power under PERA.
- **Employer/Employee contributions**
  - It is assumed that these statutory contributions would not change.
- **PERA 401(k) availability to State DC Plan participants**
  - Currently State DC Plan participants do not have access to PERA's 401(k) Plan. If the Plans were consolidated, all State DC Plan participants would have access to the 401(k) Plan.
- **Three Bundled Providers for State DC Plan**
  - PERA does not intend to assume the current contracts for the State DC Plan but instead would transition participants in the three State DC Plans to its contracted provider, ING, with the PERA DC Plan. This means that State DC Plan participants will see their existing funds mapped to PERA's investment lineup. PERA has already started work with its investment advisor on mapping of the State DC Plan funds. Any State DC Plan participants in a self directed brokerage accounts will lose that choice, which impacts 7 participants in the State DC Plan enrolled with Great-West.
- **Merger of the 401(a) Match Plan (a component of the 457 Plan with employer dollars)**

- The existing Match Plan will be merged into the PERA 401(k) Plan and in the event that a state match becomes available again, that match would be deposited in the 401(k) account.
- Currently Match Plan participants have the option of taking a loan and/or a hardship from the Match Plan. The 401(k) Plan also offers loans and hardships so this benefit will not change.
- There should be minimal impact to Match Plan participants except that they will now receive a separate statement for that amount if they are not current PERA 401(k) participants and can then start contributing to the 401(k) plan as well. Communication will be important.

- **The Committee desires seamless transition for 457 Plan participants and asked about whether PERA would consider assuming the existing contracts through Great West including recordkeeping, the Self-Directed Brokerage, and the Stable Value Fund.**
  - PERA confirmed that it is in discussions to assume the remainder of time with the Great West contracts including the Stable Value Fund and Self-Directed Brokerage for the 457 Plan.
  - PERA also intends to retain the existing website access for current 457 participants, as it is also part of the contract.
- **Stable Value Fund at Great West**
  - Changes to this investment at the end of the current contract may have a significant impact to participants, due to a large percentage of participants invested in this option.
  - The Committee requests that PERA keep this investment in place after the contract ends or ensure that participants are not harmed if changes are made. PERA stated that it would review options offered by the State Plans that are not currently offered in the PERA Plans.
  - As fiduciary, PERA stated that it cannot make changes to this fund that would not be in the best interest of the participants, such as terminating the existing contract in such a manner that would result in an adverse impact to the participants.
- **The Committee has requested estimates of potential cost to PERA to administer the 457 Plan.**
  - PERA Plans to maintain the current cost structure for 457 participants at least for the first year.
  - Any 457 Plan reserve balance remaining at implementation date will become available to PERA to offset costs.
  - PERA will perform a cost analysis during the first year of 457 Plan move to PERA to determine the cost to participants going forward.
  - PERA is confident that economies of scale will hold costs down. Plan Recordkeeper consolidation would reduce plan management burden, time and costs, as evidenced by the Recordkeeping Analysis summary prepared by Arnerich Massena in December 2007.
- **The Committee requested information on PERA staffing and educational efforts for the 457 Plan.**

- PERA intends to hire additional staff to administer the 457 Plan. During the remainder of the Great West contract, Great West employees will continue marketing and educational efforts as specified in the contract. At the end of the contract, PERA will ensure that staffing is in place to provide these services.
- PERA points out that access to educational materials should be easier to obtain for participants as all retirement choices will be available from one source rather than partially from DPA and partially from PERA. This results in better coordinated and enhanced communication.
- PERA intends to market the 457 Plan as an additional supplemental retirement option to its participating employers not currently offering this type of plan.

- **These plans should continue to be annually audited**.
  - PERA is audited annually by the State Auditor's Office. Legislation should require the State Auditor's Office to audit the DC and 457 plans within PERA.
  - PERA also has an internal audit committee.
- **A Trust agreement for the 457 Plan should be established and plan documents should be assumed by PERA such that 457 funds will be held separately and not commingled with other funds.**
  - As a fiduciary, PERA agrees that necessary trust agreements will be established and plan documents will be assumed such that 457 funds will be held separately from all other plan funds.
- **If the Plans are consolidated there are a number of administrative details that must be addressed during the transition:**
  - Developing procedures to assume administration of loans, hardships, qualified domestic relations orders, purchase of service documents, deaths, deminimus payouts, and other documents that are currently managed by DPA staff.
  - Providing employer access to information needed to ensure accurate payroll deductions and reconciliations. PERA has an employers' group as a forum to raise issues and stated its willingness to examine statute or consider rules to address any issues.
  - Establishing a process for reconciling the 457 Plan contributions; developing procedures to ensure timely reporting of information back to employer for compliance on loans and hardship distributions; ensuring timeliness of employer contribution deposits; arranging for loan payments as payroll deductions for the 457 Plan.
  - Providing for on-line enrollment capability.
  - Developing a reporting mechanism for PERA 401(k) that makes auditing and reconciling similar to the current 457 Plan process.
- **If the Plans are consolidated a communication plan would be necessary to ensure that participants are adequately notified in advance**.
  - DPA and PERA have developed a communication schedule assuming a July 2009 implementation date.

Cost of this option to Participants of each Plan

(a) State DC Plan

(i) Assumes the State DC Plan participant's funds are mapped to existing PERA DC Plan investment options and an additional administrative fee is charged per PERA's fee schedule.

(ii) Analysis in the Appendix shows that the current total fee structure for the PERA DC Plan is less expensive than the existing total fee structure for the State DC Plans. Total fees include any administrative fees and investment management fees (which include reallowances to fund providers).

(iii) Consequently it is assumed that conversion of the State DC Plans to PERA will not result in increased fees for participants. This analysis supports the auditor's findings and PERA's statement that it believes fees will stay the same or potentially decrease. PERA believes it can lower costs because it can administer the Plan less expensively but it depends on negotiations.

(iv) CEM Benchmarking Inc. provided an independent peer-to-peer review on costs and reported the 3% per year reduction in costs for a 3-year period, as well as a cost/participant below median. PERA takes its fiduciary responsibility very seriously and will dedicate appropriate resources to each Plan.

(v) An estimated Communications cost is approximately $2600 for 2 individual letters to the State DC Participants. These costs will be borne by the participants of each Plan. Costs include printing and mailing information as well as costs for the movement of account balances.

(b) 457 Plan participants

(i) PERA has committed that for the first year 457 Plan participants will retain the current cost structure. It is possible lower costs could result from negotiations to assume the current contract.

(ii) In Year 2 and ongoing, PERA will add additional staff to administer the Plan. PERA must provide a cost structure for the Plan from that point on which will be analyzed during the first year of the administration under PERA. The cost of the 457 Plan move should be minimal if PERA assumes the balance of the Great West contract. There will also be legal fees incurred for the legislation to transfer to another fiduciary. Some administrative fees need to be retained for the FY09 financial audit of the Plans' that will take place in FY10. As far as communication, 457 participants will be notified via the quarterly statements, *Healthline* and *Advisor*, and through their agency newsletters.

2. **Leave the Plans at DPA but change the statutory requirements for the State DC Plan and add additional staff**

This option would require legislation to change the existing statutory requirement for three bundled providers for the State DC Plan. Legislative authorization would also be required for spending authority to hire additional staff.

- **Plan Oversight**
  - If the Plans remain at DPA the Committee will continue to provide the direct oversight the participants currently enjoy.

- **Simplified State DC Plan options**
  - One State DC vendor option will remove some confusion for state employees. They will continue to enjoy a full range of investment options with only one provider instead of choosing between three different providers.
- **Vendor Participation**
  - The current vendors have indicated that administration of this plan under the current statutory limitations is not cost effective. Consequently, without a statutory change it is possible that the Plan will not receive three proposals during the next bid.
- **Lower fees and costs**
  - State DC participants should experience lower investment fees because the provider will have access to less expensive mutual fund share classes. The single provider will also be able to spread costs over a larger participant base thus lowering costs.
- **Maintain 100% vesting schedule**
  - The current vesting schedule can be maintained for those participants choosing the State DC Plan over the PERA DC Plan. However, this doesn't address the confusion of continuing to provide two DC options. Additionally, the State DC participants cannot enroll in the PERA 401(k) under current statutes.
- **Additional administrative oversight**
  - The Committee and DPA recognize that staffing is inadequate for proper administration. Financial and performance audits substantiate this problem. Adding an accountant and a general professional will enable DPA to better monitor contracts and performance and ensure that financial integrity is maintained. However, this option would not fully address challenges identified in the recent audits related to financial management and auditing in disparate payroll systems within the State and the non-state employers.

Cost of this option to participants in each plan

(a) Participants in each Plan will bear proportionally the costs of two additional staff.

(i) The estimated additional costs would be approximately $177,000 for FY 2009-2010.

(ii) Combined participants in both Plans are approximately 19,344. If additional costs were assigned per participant each would pay about $9.15 more per year.

3. **Create a separate statutory authority to administer both Plans**
   - **Separate authority**
     - The Plans would be removed from budgeting restrictions and other administrative processes placed on general governmental departments like DPA. With an established authority many of the issues still remain: equity, infrastructure, communication, financial/auditing requirements, and confusion among new hires.
   - **Plan Oversight**
     - The Committee or some similar body would provide the direct oversight the participants.

- **Legislation Required**
  - Legislation creating the authority would be required. It is assumed that the requirement for bundled providers would be changed at the same time.
- **Staffing will be appropriate for plan administration**
  - It is assumed that 8 staff would be hired to administer the Plans ensuring that adequate administrative oversight will be in place.

Costs of this option to Participants of both Plans

(a) Participants in each Plan will bear proportionally the costs of this option.

(i) The authority would require leased space, full staffing including legal staff and equipment at a projected cost of an additional $2.3 million (in the first year) to be borne by the participants. After establishment of the Authority, subsequent years may cost $1.9 million.

(ii) Approximately $5000 in communication costs will be incurred.

(iii) Combined Plan participants are approximately 19,344.

(iv) Additional costs per participant will be $118 for the first year, and $98 for subsequent years.

4. Consolidate only the State DC Plan with PERA's DC Plan and retain the 457 Plan at DPA with additional staff.

- **Plan Oversight**
  - The Committee will continue to provide direct oversight over the 457 Plan.
  - The State DC Plan participants will be merged into the PERA DC Plan overseen by PERA as previously discussed.
- **Simplified DC Plan option**
  - One DC plan option at PERA will remove confusion for state employees.
- **Current State DC investments**
  - Investments for the current State DC Plan participants will be mapped to PERA's investment options.
- **Lower fees and costs for DC participants**
  - The PERA DC Plan appears to offer lower fees and costs for participants.
- **Vesting Schedules**
  - Future DC Plan participants will no longer have the option of the current 100% vesting schedule.
- **Additional administrative oversight**
  - The Committee and DPA recognize that staffing is inadequate for proper administration. Financial and performance audits substantiate this problem. Adding an accountant and a general professional will enable DPA to better monitor contracts and performance and ensure that financial integrity is maintained. However, this option would not fully address challenges identified in the recent audits related to financial management and auditing in disparate payroll systems within the State and the non-state employers.

Costs of this option to participants of each plan

a. State DC Plan

(i) Communication costs of $2600 will be incurred.

(ii) State DC Plan participants will begin paying the same fees as PERA DC Plan participants.

b. 457 Plan
   (i) 457 Plan participants alone will pay the costs of additional staff estimated to be approximately $177,000. With approximately 17,500 participants, the additional cost will be $10.11 per participant per year.

5. Make no changes, administration remains at DPA.

- **Plan Oversight**
  - The Committee will continue to provide direct oversight over both Plans.
- **Inadequate administrative oversight**
  - The most recent financial and performance audits enumerate numerous problems with administration of the Plans directly attributable to lack of staff. Without additional staff, the participants will experience inadequate administrative oversight, the Plans may not be accounted for properly, and the Committee will not be meeting its fiduciary responsibilities.

Final Recommendation

After reviewing all options, the Committee recommends the first option to consolidate the plans under PERA.

Appendix - Summary of Fees for State DC and PERA DC Plans

GREAT WEST (State DC)	Fees	Amt Invested	Total Cost
VANGUARD BOND INDEX	0.32%	7,143	22.86
VANGUARD INST INDEX	0.30%	7,143	21.43
DODGE & COX INTERNATIONAL	0.65%	7,143	46.43
TCM SMALL CAP GROWTH	0.93%	7,143	66.43
ARTISAN MID CAP	1.20%	7,143	85.71
VERACITY SMALL CAP VALUE	1.51%	7,143	107.86
MUNDER MID CAP	1.08%	7,143	77.14
AMERICAN FUNDS	0.35%	7,143	25.00
AMERICAN EUROPACIFIC	0.75%	7,143	53.57
MANAGERS AMG SYSTEMATIC VALUE	0.91%	7,143	65.00
GWRS STABLE VALUE FUND	0.40%	7,143	28.57
Aggressive Portfolio	0.66%	7,143	47.14
Moderate Portfolio	0.49%	7,143	35.00
Conservative Portfolio	0.33%	7,143	23.57
	TOTAL	100,000	705.71

PERA (401(k) & DC PLAN)	Fees	Amt Invested	Total Cost
NORTHERN TRUST SHORT TERM	0.22%	7,143	15.71
PIMCO LOW DURATION FUND	0.46%	7,143	32.86
PIMCO TOTAL RETURN FUND	0.46%	7,143	32.86
PAX WORLD BALANCED INSTL	0.71%	7,143	50.71
DODGE & COX BALANCED FUND	0.53%	7,143	37.86
VANGUARD INSTITUTIONAL INDEX	0.05%	7,143	3.57
PERA GROWTH & INCOME FUND	0.30%	7,143	21.43
AMERICAN FUNDS EUROPACIFIC GROWTH	0.51%	7,143	36.43
FIDELITY CONTRAFUND	0.89%	7,143	63.57
RANIER LARGE CAP GROWTH FUND	0.57%	7,143	40.71
VANGUARD SMALL CAP INDEX	0.07%	7,143	5.00
FIDELITY FREEDOM INCOME FUND	0.49%	7,143	35.00
FIDELITY FREEDOM 2020 FUND	0.72%	7,143	51.43
DODGE & COX STOCK FUND	0.52%	7,143	37.14
		100,000	464.29
		Annual fee	33.00
		TOTAL	497.29

ICMA (State DC Plan)	Fees	Amt Invested	Total Cost
VT FIDELITY DIVERSIFIED INTERNATIONAL	0.93%	6,250	58.13
DFA INTERNATIONAL FUND R2	0.79%	6,250	49.38
T.ROWE PRICE SMALL VALUE ADV	1.02%	6,250	63.75
RANIER SMAILL/MID CAP	1.16%	6,250	72.50
AMERICAN CENTURY VALUE INV	1.00%	6,250	62.50
VT ROYCE VALUE PLUS FUND 2C	2.10%	6,250	131.25
VANTAGEPOINT 500 STOCK INDEX FUND	0.25%	6,250	15.63
VANTAGEPOINT EQUITY INCOME	0.88%	6,250	55.00
VT PIMCO TOTAL RETURN ADMIN	0.68%	6,250	42.50
VANTAGETRUSE PLUS FUND	0.46%	6,250	28.75
RIVERSOURCE MID CAP VALUE R4	1.10%	6,250	68.75
VT Savings Oriented	0.88%	6,250	55.00
VT Conservative Growth	0.91%	6,250	56.88
VT Traditional Growth	0.97%	6,250	60.63
VT LT Growth Fund	1.01%	6,250	63.13
VT All Equity Growth	1.11%	6,250	69.38
	TOTAL	100,000	953.13

HARTFORD (State DC Plan)	Fees	Amt Invested	Total Cost
HARTFORD INTERNATIONAL CAPITAL APPREC	0.88%	7,143	62.86
BARON SMALL CAP	1.31%	7,143	93.57
AMERICANBEACON SMALL CAP VALUE	1.05%	7,143	75.00
MUNDER MID CAP CORE GROWTH	1.31%	7,143	93.57
ARTISAN MID CAP VALUE	1.20%	7,143	85.71
AMERICAN FUNDS	0.66%	7,143	47.14
DAVIS NEW YORK VENTURE	0.86%	7,143	61.43
SSGA S&P 500 FLAGSHIP	0.35%	7,143	25.00
HOTCHKIS & WILEY LARGE VALUE	1.24%	7,143	88.57
HARTFORD TOTAL RETURN BOND	0.50%	7,143	35.71
SEI STABLE ASSET FUND	0.65%	7,143	46.43
American Century Aggressive	1.18%	7,143	84.29
American Century Moderate	1.05%	7,143	75.00
American Century Conservative	0.99%	7,143	70.71
	TOTAL	100,000	945.00

Assumptions:

Investment of $100,000 across all funds in each DC Plan.
An individual investor could have a significantly different outcome depending on his/her choice of investments and amount invested.

Information provided from the following provider websites:

www.colorado457.com = State 457 Plan
www.colorado401a.com = State DC w/Great-West
www.retire.hartfordlife.com = State DC w/Hartford
www.icmarc.org = State DC w/ICMA-RC
www.copera.org = PERA DC and DB Plans