



OHIO DEFERRED COMPENSATION

OHIO PUBLIC EMPLOYEES DEFERRED COMPENSATION PROGRAM

OHIO457.ORG ■ 877-644-6457

Ohio DC Board Approves New Fee Structure

New Fee Structure Will Rebate Credits and, Share Administrative Charges Equally Among Participants

Our last Focus newsletter gave a broad overview of fees in retirement plans. It also talked about how the Ohio DC Board voted to change our fee structure, so it more fairly spreads fees among participants and is more transparent. Now, we want to provide more information on how these costs will be shared beginning January 1, 2016.

On January 1, participants' fees for administrative expenses will no longer vary based on investment choice. The Ohio DC Board has decided to rebate all investment fee reimbursements to the investors in those funds. These rebates will be shown as a credit on your quarterly statements, if you invest in a fund with fee reimbursements. A listing of those funds is available at Ohio457.org.

Because Ohio DC is passing all fee reimbursements back to participants beginning in 2016, a separate fee will be charged to cover administrative costs. The new fees will also be waived for small balances and capped for larger balances. We will make administrative fees fairer and easier to understand by charging participants an annual fee of 0.0014 (or 0.14%). Since fees will be deducted quarterly, one-fourth of the 0.14% annual fee will be deducted each quarter. In response to feedback from participants, the Board modified the new fee policy to apply the waiver and maximum fees per participant rather than by individual account. The new administrative fees will be waived for individuals with balances less than \$5,000 to help them get their savings started. Fees also will be capped at \$55 each quarter, per participant, regardless of the total balance across all accounts.

For more information on the new fee structure, visit Ohio457.org or call an Account Executive at 877-644-6457. Stay tuned to your Focus newsletter for more information.

The New Ohio DC Fee Structure

1. With the new fee structure, you will continue to pay fees for investment management expenses that are included in the daily fund share price, just like you always have.
2. If you invest in a fund with an expense ratio that includes fee reimbursements, that reimbursement will be rebated into your account.
3. You will be charged for the cost of administration separately (a 0.14% annual fee on each account).
4. Fees will be waived for individuals with balances less than \$5,000 to get their savings started. Fees will be capped at \$55 per quarter, per participant, regardless of the total balance across all accounts.