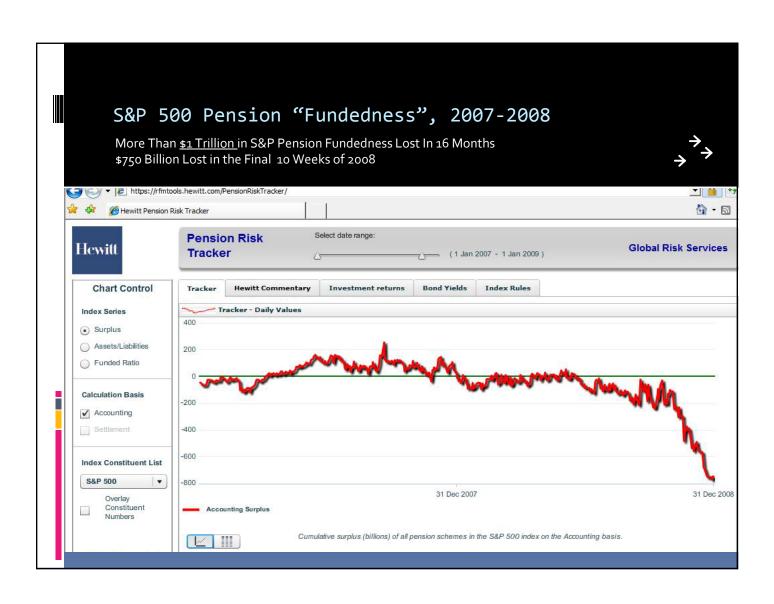
2009 EBRI Policy Forum, Washington, DC PLAN SPONSOR VIEW JAY VIVIAN, CFA

■ The Perfect Storm (2000-2002)

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- Corporate Functional Roles
  - Investment (Finance/Treasury)
  - Benefits (HR)
  - Legal

Cost \*

#### Full Cycle Impact of Cost Deltas

1 basis point (0.01%) = 2 months of retirement income



age at hire ->	22					
age at retirement ->	58					
age at death ->	86					
initial salary ->	\$50,000					
pay growth during career (%) ->	3.5%					
pay deferred into 401(k) (%) ->	8%					
company match (%) ->	6%					
assets earn in 401(k) (%) ->	7.5%					
desired "CoLA" for withdrawals ->	2.5%	- Carrier				
asset management fee (%) ->	1.00%	1.01%	0.67%	0.68%	0.09%	0.10%
CONTROL SECTION CONTROL SECTION CONTROL OF C						
terminal 401(k) balance ->	\$0		\$0		\$0	
	\$0 52.5%	-	\$0 58.2%		\$0 69.7%	
retirement income as % of final pay ->	52.5%		58.2%		69.7%	
retirement income as % of final pay -> first year withdrawal (\$) ->	52.5% \$87,582		58.2% \$97,043		69.7% \$116,235	
retirement income as % of final pay -> first year withdrawal (\$) -> final year withdrawal (\$) ->	52.5% \$87,582 \$170,591	-\$26,990	58.2% \$97,043 \$189,021	-\$31,450	69.7% \$116,235 \$226,403	-\$41,189

- Cost
- Asset Allocation \*

- Cost
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- Asset Location

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- Annuitization

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- Target Date Fund Design \*

<u>Decumu</u> ]	<u> Lation:</u>	Ongoing
Conside	erations	S

- Cost \*
- Asset Allocation \*
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- Annuitization
- Disability and/or Longevity Insurance \*?
- Financial Planning \*
- Target Date Fund Design \*
- Re-enrollment?