

Is the McPherson College 403(b) DC Plan Free?

No, however the fees you pay may be difficult to understand. While the College pays for some of the services relating to the 403(b) plan, participants also pay fees that are deducted from their accounts. Fee disclosures are provided periodically.

Over the past three years, the Retirement Plan Committee has worked hard to make enhancements to the plan, while keeping fees as low as possible. In fact, the fees you pay are considerably lower than the average retirement plan fees of similar size at other institutions and companies. Let's see how it works...

Your fees can be broken down as two types:

- Investment Fund fees (called expense ratio)
- Servicing fees
 - TIAA Recordkeeping Fee
 - Plan Advisory & Consulting Fee

Here's an example:

John D. McPherson's account:

- Balance of \$100,000 invested
- Invested in TIAA Lifecycle Index 2025

$$\begin{array}{r} \$100,000 \times 0.10\% \text{ (fund exp ratio)} = \$100 \\ + \\ \$100,000 \times 0.66\% \text{ (service fee)} = \$660 \end{array}$$

Total annual fee = \$760 (approximate)
(or expressed as a % of assets = 0.76%)

Susie J. McPherson's account:

- Balance of \$100,000 invested
- Invested in American Funds EuroPacific

$$\begin{array}{r} \$100,000 \times 0.50\% \text{ (fund exp ratio)} = \$500 \\ + \\ \$100,000 \times 0.66\% \text{ (service fee)} = \$660 \end{array}$$

Total annual fee = \$1,160 (approximate)
(or expressed as a % of assets = 1.16%)