



# PSERS Defined Contribution Plan Fee Explanation

## Our commitment to best-in-class services and fee transparency

The PSERS Defined Contribution (DC) Plan is a tax-deferred savings plan for Class T-G, Class T-H, and Class DC members. We believe every PSERS DC Plan participant deserves complete transparency when it comes to understanding the fees associated with servicing the PSERS DC Plan.

There are fees and expenses associated with all retirement plans and investment programs. These fees help pay for the administration and operation of the PSERS DC Plan, which includes a host of services provided to participants such as account maintenance, quarterly statements, online and phone-based account access, PSERS DC Plan communications, plan education specialists, investment education, and many more.

### The information in this fee explanation provides answers to these important questions:

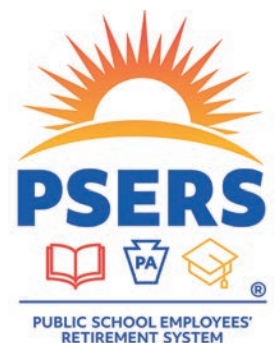
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With PSERS, you're on your way!



## What entities service the PSERS DC Plan and what do they do?

### PSERS provides:

- **Oversight and management** of the PSERS DC Plan's service contractors, plan design, administration, and governance.
- **Assistance** to participants in understanding retirement benefits.

### Record keeper, **Voya Financial®**, provides:

- **Record keeping services** and processes after-tax elections, tracks and processes investment elections directed by participants, accounts for contributions and distributions, produces participant statements, and assists with any other PSERS DC Plan administration directed by PSERS.
- **Local representatives** to assist with PSERS DC Plan education.
- **Plan tools and resources** including a customer service line, participant website, and mobile app.
- **Plan communication** to help educate participants about PSERS DC Plan participation, retirement planning, and benefits.

### Trustee/Custodian, **Voya Institutional Trust Company and State Street Bank and Trust Company**, ensure that:

- **Assets** are held in a trust for the benefit of PSERS DC Plan participants.
- **Investments** are bought and sold within portfolios, then calculated as a share or unit value for each investment option in the PSERS DC Plan.

### CAPTRUST Financial Advisors advises PSERS on:

- **PSERS DC Plan design**, governance, investment policies, and investment selection.

### Actuaries and Auditors perform:

- **Actuarial work** and experience studies.
- **Annual financial audit** and regular compliance audits.

### Legal Counsel, **PSERS Office of Chief Counsel**, provides:

- **Legal advice** to the PSERS DC Plan and specialized expertise, and may contract with outside counsel.

### Investment managers invest:

- **A certain percentage** of the participants' assets, for each investment option, according to specific objectives, strategies and limits set forth in the PSERS DC Plan's adopted investment policy statement.

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This document summarizes certain plan-related information regarding the plan's investment options and fees to be paid in connection with plan services or options selected in accordance with the disclosure requirements under Department of Labor Regulation §2550.404a-d. It is intended to be read along with the comparative chart of Investment Information. This is not intended to replace the investment product information provided separately by Voya®. Please refer to your plan's disclosure materials prior to making investment decisions. Fees are subject to change from time to time. If there is any conflict between this summary and the governing plan agreements, then the governing plan agreements will control.

Contributions to the plan can be invested in a variety of investment options and you may have one or more forms of distribution to choose from. You will receive periodic statements that will include account values, unit values, and fees deducted. You will also have access to your account through Voya by phone and dedicated website that you can access through PSERS Member Self-Service. This information is being provided either at the request of your plan sponsor or to comply with applicable state law.

## What are the fees for the PSERS DC Plan record keeping, administrative, and investment services?

The amount of any fees deducted from your account will be shown on your quarterly statement or confirmation.

**Record keeping fees** pay for operation of the PSERS DC Plan by its contracted record keeper, Voya. Services include daily account maintenance, quarterly statements, convenient online and phone-based account access, PSERS DC Plan communications, investment education and more.

- \$31.90 - Voya's annualized fee (\$7.975 charged per quarter) is assessed proportionately against the investment options within the PSERS DC Plan.

**Administrative fees** pay for administration by PSERS. Services include demographic and beneficiary maintenance, qualification, eligibility points, class elections and more.

- \$0.00 - PSERS does not currently charge an administrative fee for the PSERS DC Plan.

**Investment fees** cover ongoing charges for operating expenses and managing the assets of the investment funds.

The investment options available to participants are identified during the class election process. The available investments are subject to change from time to time, but any changes to the investment lineup will be communicated to all PSERS DC Plan participants in advance. If you want additional information regarding your investment options, including benchmarking data and historical performance, your PSERS DC Plan account will be your source of information.

There are no voting rights associated with the investment options available in the PSERS DC Plan's investment menu.

Fees for each individual investment option are paid directly from participant accounts and are allocated daily. The total market value of the investment's portfolio and the net dollar value of each investment share or unit is calculated by the investment manager on a daily basis at the close of the stock market. Participants pay a portion of their annual cost daily through a reduction in the investment's rate of return before the share or unit price is declared.

Fees and expenses are only one of several factors that participants should consider when making investment decisions. The cumulative effect of fees and expenses can substantially affect the growth of a participant's account.

**Current Fee Information:** The following chart lists each investment option's total net annual operating expense and cost per \$10,000 invested as of September 30, 2021. **This document is updated quarterly to reflect any changes to the investment options and fees.** Because operating expenses for investments could change at any time, we encourage you to search by using the information below during the quarter to confirm the most current expense for the investment.

Investment Option	Investment Category	Investment Net Fee (expense ratio, as a % of assets)	Investment Fee (annually, per \$10,000 invested)
T. Rowe Price Target Date 2020	Target Date	0.20%	\$20
T. Rowe Price Target Date 2025	Target Date	0.20%	\$20
T. Rowe Price Target Date 2030	Target Date	0.20%	\$20
T. Rowe Price Target Date 2035	Target Date	0.20%	\$20
T. Rowe Price Target Date 2040	Target Date	0.20%	\$20
T. Rowe Price Target Date 2045	Target Date	0.20%	\$20
T. Rowe Price Target Date 2050	Target Date	0.20%	\$20
T. Rowe Price Target Date 2055	Target Date	0.20%	\$20
T. Rowe Price Target Date 2060	Target Date	0.20%	\$20
T. Rowe Price Target Date 2065	Target Date	0.20%	\$20
MissionSquare PLUS Fund R10	Stable Value	0.53%	\$53
BlackRock High Yield Bond K	Bonds	0.51%	\$51
PIMCO Total Return Instl	Bonds	0.47% (0.46%)*	\$47
PIMCO Real Return Instl	Bonds	0.47% (0.45%)*	\$47
Calvert Balanced R6	Balanced	0.64%	\$64
Fidelity® 500 Index	Large Cap	0.015%	\$1.50
Fidelity® Extended Market Index	Small/Mid/Specialty	0.035%	\$3.50
Fidelity® Real Estate Index	Small/Mid/Specialty	0.07%	\$7
American Funds Europacific Growth R6	Global/International	0.46%	\$46
Invesco Developing Markets Fund R6	Global/International	0.82%	\$82

\*The figure in parenthesis represents the portion of fees participants pay directly to PIMCO for investment management. This fee excludes other investment expenses (i.e. interest expense from borrowing) incurred during investment transactions.

## Estimating the total PSERS DC Plan fees for the year

Susan has a \$10,000 average account balance and is 100% invested in the T. Rowe Price Target Date 2060.\*



Investment Option	Investment Net Fee (expense ratio, as a % of assets)	Average Total Annual Balance	Estimated Annual Cost
T. Rowe Price Target Date 2060	0.29%	\$10,000	\$29.00
<b>Total net annual operating expense</b>			<b>\$29.00</b>
Record keeping cost			+\$31.90
<b>Total annual DC Plan fee</b>			<b>\$60.90</b>

\*For illustrative purposes only and not an investment allocation recommendation.

To calculate an estimate of her total dollar amount of investment fees for the year, Susan multiplies the fee for her investment option (0.29% = 0.0029, for reference) by her average annual dollar balance. In this example, the estimated total dollar amount paid for investment fees equals \$29.00. Then these fees are added to the quarterly Voya record keeping cost of \$7.975 (\$31.90 total) for an estimated total annual dollar amount paid of \$60.90.

### Additional fees for active participants

\$50 fee for overnight mail delivery of a requested distribution check.

### Fees for terminated participants

Terminated participant accounts with a PSERS DC Plan balance between \$1,000 and \$5,000 are rolled over to a Voya IRA on the participant's behalf if no action is taken to transfer the balance elsewhere or take receipt of the assets. The fees associated with the Voya IRA are:

- \$20 account establishment fee
- \$20 annual fee
- \$20 account closure fee

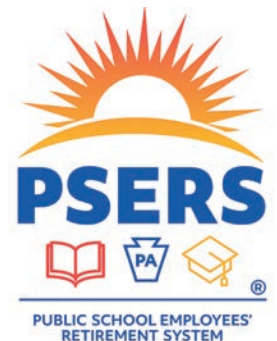
### How to change your investment allocation

PSERS DC Plan permits participants to direct their investment of contributions. As a PSERS member in Class T-G, Class T-H, or Class DC, you may direct the investments in your PSERS DC Plan by accessing your DC account through PSERS Member Self-Service Portal or by calling Voya at 1.833.432.6627 (1.833.4DC.MMBR).

### PSERS' Commitment to Fee Transparency

We're committed to keeping PSERS DC Plan fees transparent. This fee explanation will be maintained and updated to report investment fees separate from PSERS DC Plan record keeping fees, provide clear descriptions of the services provided to the PSERS DC Plan, and disclose other special fees. If you have any questions about PSERS DC Plan fees, please call Voya weekdays at 1.833.432.6627 (1.833.4DC.MMBR) to speak with a Customer Service Representative between 8:00 a.m. – 8:00 p.m. You can also call Voya for assistance in scheduling an appointment with a local Voya representative on a date and time that's convenient for you.

With PSERS, you're on your way!



Not FDIC/NCUA/NCUSIF Insured • Not a Deposit of a Bank/Credit Union • May Lose Value • Not Bank/Credit Union Guaranteed • Not Insured by Any Federal Government Agency  
Plan administrative services are provided by Voya Institutional Plan Services, LLC (VIPS). VIPS and VFA are members of the Voya® family of companies and are not affiliated with PSERS.