

24th Edition



401k

Averages Book

www.401ksource.com

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\$10,000 Average Account Balance

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\$50,000 Average Account Balance

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\$100,000 Average Account Balance

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HOW TO USE THE 401k AVERAGES BOOK

When it comes to benchmarking your current plan costs or evaluating new proposals, the *401k Averages Book* is an invaluable tool. It allows you to compare 401(k) plan costs effectively. To begin the process of conducting a benchmarking study, it is crucial to collect and calculate the costs associated with your plan. You can kickstart this process by requesting a 408(b)(2) fee disclosure report from your current providers. Additionally, if you require assistance in organizing your fee information, you can utilize our fee worksheet. We have made the 401k Averages Book Fee Worksheet available as a PDF on our website at www.401ksource.com.

HOW THE 401k AVERAGES BOOK IS ORGANIZED

The *401k Averages Book* has been meticulously designed to simplify your quest for the best fit plan cost benchmark. We've thoughtfully structured this book, segmenting it based on key parameters, including the number of plan participants, the average account balance, and the total plan assets.

In the world of 401(k) plans, cost structures are typically influenced by a blend of four critical variables:

- 1) the total plan assets,
- 2) the number of plan participants,
- 3) the average account balances of participants, and
- 4) the plan's asset allocation.

Within the pages of the *Averages Book*, you will find illuminating scenarios tailored for plans encompassing 10, 25, 50, 100, 200, 500, 1,000, and 2,000 participants, coupled with average participant account balances spanning \$10,000, \$50,000, and \$100,000. This comprehensive resource equips you with specific insights tailored to your unique plan circumstances.

The book is thoughtfully organized into three distinct sections, each tailored to different plan sizes and featuring insightful average cost data.

Sections 1 to 8 focus on presenting average cost data for specific plan size scenarios featuring an average account balance of \$10,000.

Sections 9 to 16 provide average cost data for specific plan size scenarios with an average account balance of \$50,000.

Sections 17 to 24 deliver average cost data for specific plan size scenarios characterized by an average account balance of \$100,000.

UNIVERSE CONSTRUCTION AND ASSET ALLOCATION ASSUMPTION

The *Averages Book* is a comprehensive resource, curated from our extensive database comprising 172 product offerings from 64 reputable providers. Within this database, each plan scenario is constructed using a carefully selected subset of the 172 products, strategically organized based on their respective target markets.

The data provided within each plan scenario is calculated by averaging the costs associated with the products contained within its designated universe. For your convenience, the number of products encompassed within each universe is listed in bold at the end of "Comments" on the first page of each corresponding section.

The asset allocation breakdown for each scenario is as follows:

- 44% allocated to Large Equity,
- 10% to Stable Value,
- 7% to International Equity,
- 8% to Fixed Income, and

31% as a combined allocation for Balanced/Target Date. Notably, the Balanced/Target Date allocation represents the average between the Balanced and Target Date investment options.

MORE ABOUT OUR NEW ENHANCEMENTS

The *401k Averages Book* is committed to adapting to meet the evolving needs of financial professionals and plan sponsors. In our 24th Edition, you will encounter familiar sections and many of the charts you have come to expect. This year, we have made improvements to the information we provide by reorganizing the order of charts and introducing new data and charts to enhance its depth and usefulness.

In response to valuable feedback from our readers, we've introduced two additional benchmarking data points in this edition. Specifically, we've incorporated advisor compensation and a comprehensive recordkeeping administration fee, which encompasses both hard dollar and asset-based recordkeeping fees and any allocation to recordkeeping from revenue sharing. These additions are intended to provide even more valuable insights to our readers.

Furthermore, we've thoughtfully restructured the arrangement of charts within each section for improved user-friendliness. Our goal was to create a more intuitive experience for readers by grouping together three "as a percentage of assets" charts and three "per participant cost in dollars" charts. The charts are now thoughtfully grouped to present a logical and gradual breakdown of data, increasing granularity with each

chart. The initial chart presents the investment cost, inclusive of all revenue sharing, and recordkeeping administration fees. Following that, we separate revenue sharing from the investment cost, presenting net investment alongside revenue sharing and recordkeeping administration. We've also introduced a brand-new chart that further dissects the revenue sharing amount, dividing it into the portions allocated for advisor compensation and recordkeeping administration. This new chart displays net investment, advisor compensation, and recordkeeping administration (inclusive of hard dollar and asset-based recordkeeping fees and any allocation to recordkeeping from revenue sharing).

In our dedicated effort to build out the new data points we have refined numerous product entries within our expansive database. The product universe reflects more zero or low revenue sharing fund platforms. Additionally, all products now include advisor compensation. We have broadened the product mix to reflect more fixed dollar recordkeeping costs, third party administrator and fixed basis point models.

We're excited about this new layout and the expanded fee information it offers, and we trust it will provide you with an even more valuable resource.

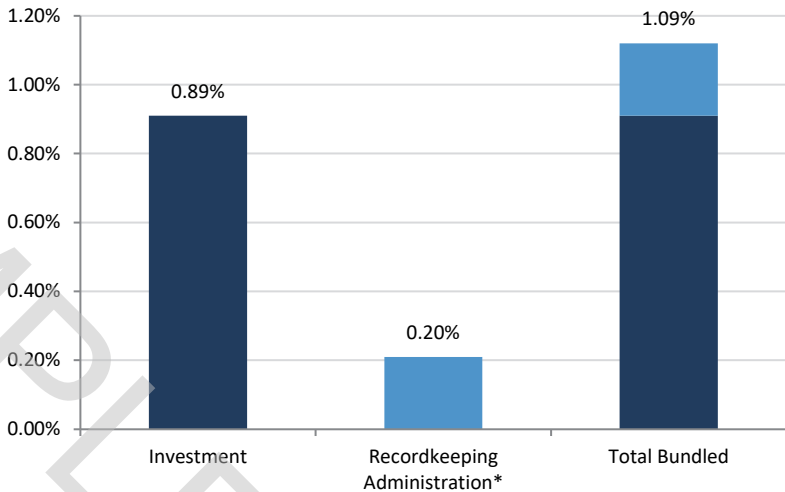
Comments and Charts for Section 1–24:

Comments

- | | | | |
|------|---|------|---|
| x.1 | Average Plan Cost as a Percentage of Assets | x.4b | Average Plan Cost Per Participant (Illustrating Revenue Sharing Allocation to Advisor Compensation and Recordkeeping Administration) |
| x.1a | Average Plan Cost as a Percentage of Assets (Illustrating Net Investment and Revenue Sharing Split) | x.5 | Percentage Breakdown of Plan Costs |
| x.1b | Averages Plan Cost as a Percentage of Assets (Illustrating Revenue Sharing Allocation to Advisor Compensation and Recordkeeping Administration) | x.6 | Percentage Breakdown of Plan Costs (Illustrating Net Investment and Revenue Sharing Split) |
| x.2 | Range of Advisor Compensation | x.7 | Percentage Breakdown of Plan Costs (Illustrating Revenue Sharing Allocation to Advisor Compensation and Recordkeeping Administration) |
| x.3 | Investment and Total Bundled Cost Quartiles | x.8 | Average Investment Cost |
| x.4 | Average Plan Cost Per Participant | | |
| x.4a | Average Plan Cost Per Participant (Illustrating Net Investment and Revenue Sharing Split) | | |

100 Participants and \$5,000,000 in Assets

Chart 12.1
Average Plan Cost as a Percentage of Assets



Comments

Total Bundled Plan Cost per participant is \$552.

Chart 12.4

Average Investment Expense is 0.89% of assets.

Chart 12.1

Average Total Bundled Expense is 1.09% of assets.

Chart 12.1

Advisor Compensation is 0.36% of assets.

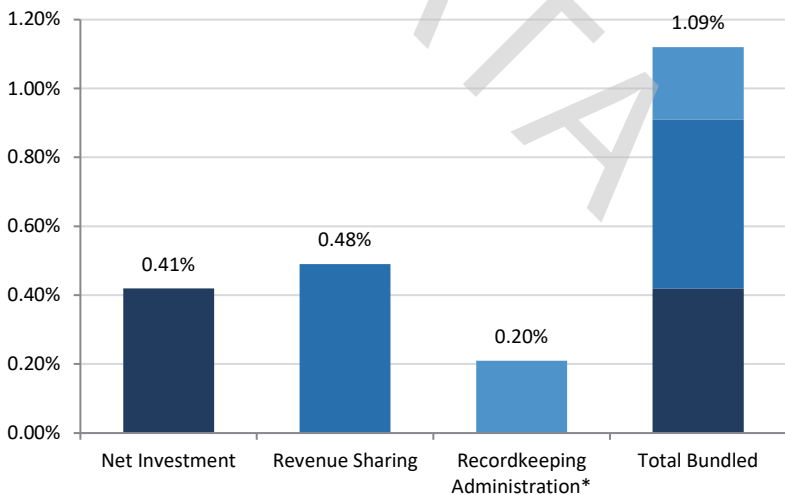
Chart 12.1b

Recordkeeping Administration** is 0.32% of assets.

Chart 12.1b

Universe consists of 58 different products.

Chart 12.1a
Average Plan Cost as a Percentage of Assets
(Illustrating Net Investment and Revenue Sharing Split)



*Hard dollar and asset based recordkeeping fees

100 Participants and \$5,000,000 in Assets

Chart 12.1b

Average Plan Cost as a Percentage of Assets
(Illustrating Revenue Sharing Allocation to
Advisor Compensation and Recordkeeping Administration)

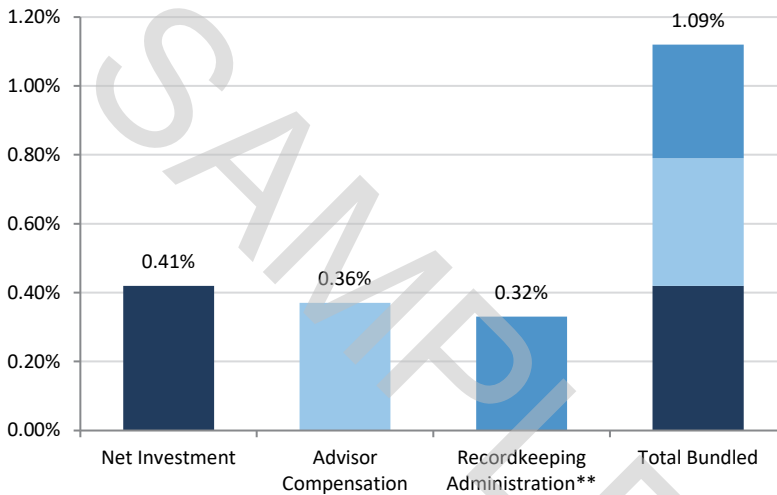


Chart 12.2

Range of Advisor
Compensation

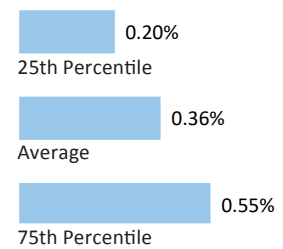
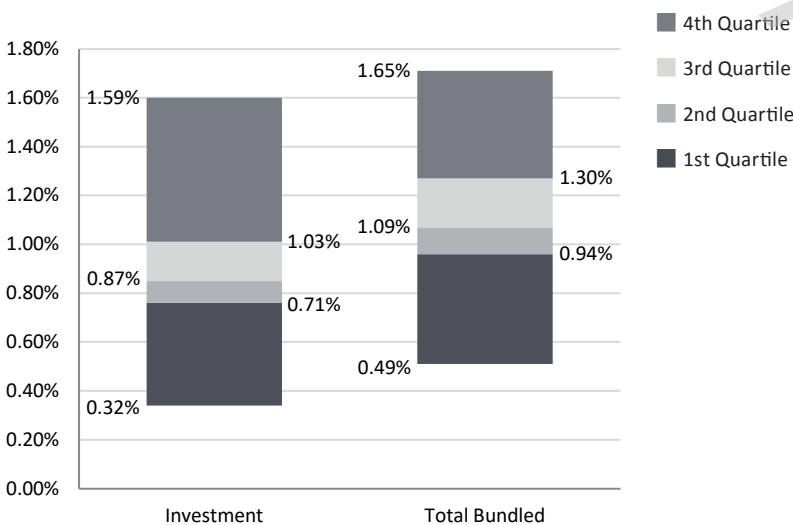


Chart 12.3

Investment and Total Bundled Cost Quartiles



** Hard dollar and asset based recordkeeping fees and any allocation to recordkeeping from revenue sharing

100 Participants and \$5,000,000 in Assets

Chart 12.5
Percentage Breakdown
of Plan Costs

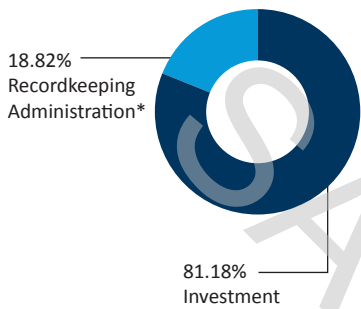


Chart 12.4
Average Plan Cost Per Participant

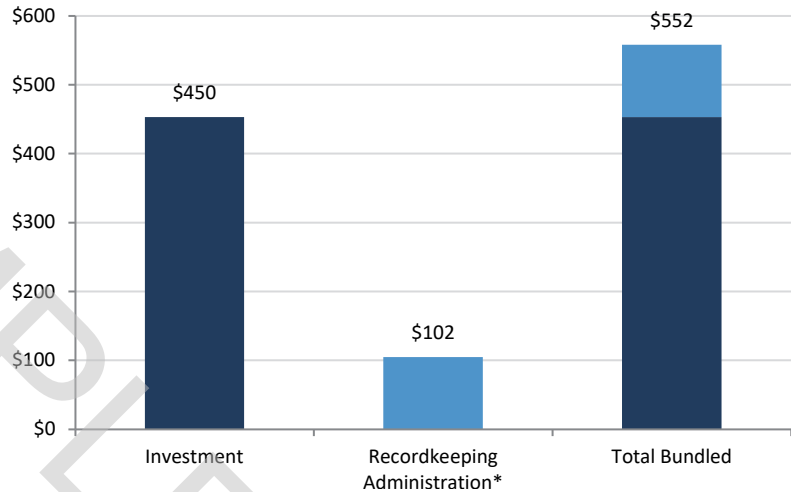


Chart 12.6
Percentage Breakdown
of Plan Costs
(Illustrating Net Investment
and Revenue Sharing Split)

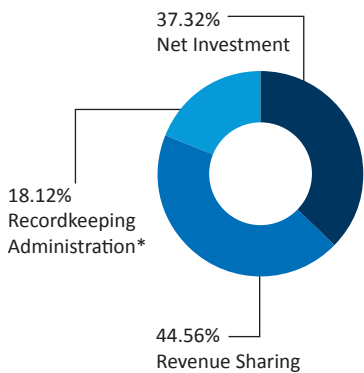
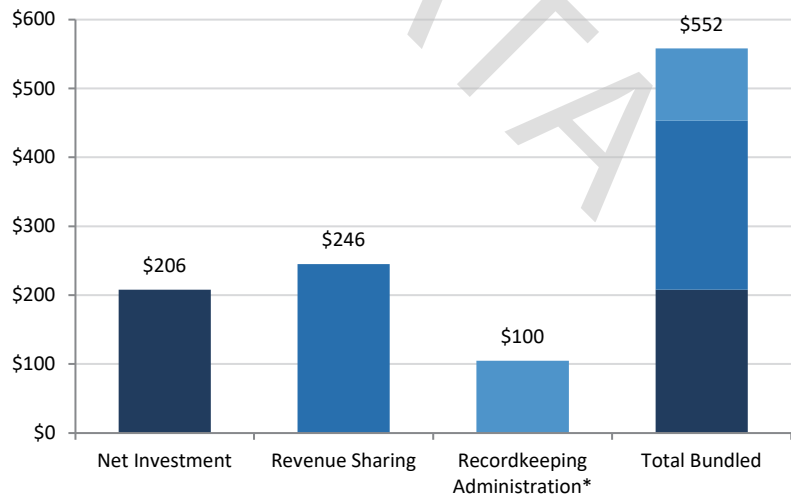


Chart 12.4a
Average Plan Cost Per Participant
(Illustrating Net Investment and Revenue Sharing Split)



*Hard dollar and asset based recordkeeping fees

100 Participants and \$5,000,000 in Assets

Chart 12.4b
Average Plan Cost Per Participant
(Illustrating Revenue Sharing Allocation to
Advisor Compensation and Recordkeeping Administration)

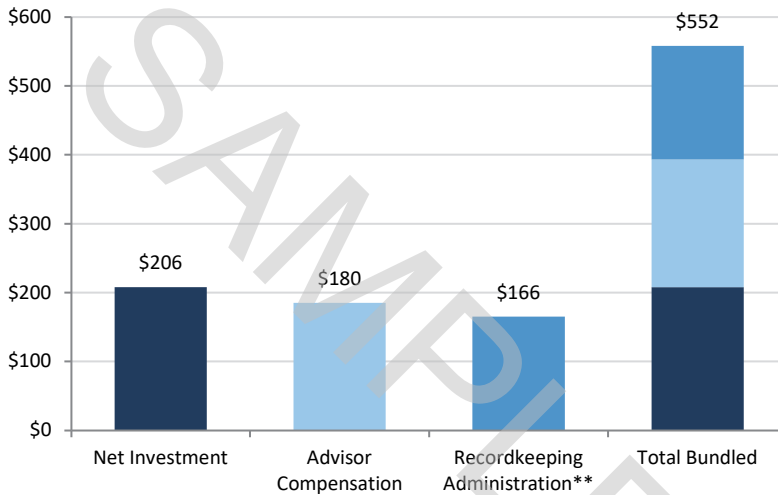


Chart 12.7
Percentage Breakdown
of Plan Costs
(Illustrating Revenue Sharing
Allocation to Advisor
Compensation and
Recordkeeping Administration)

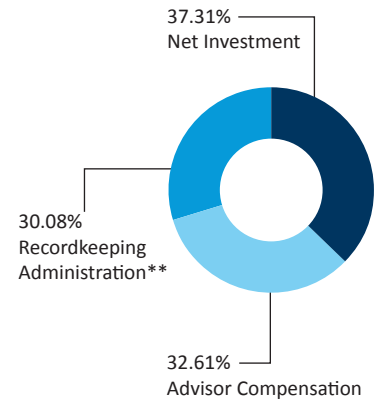
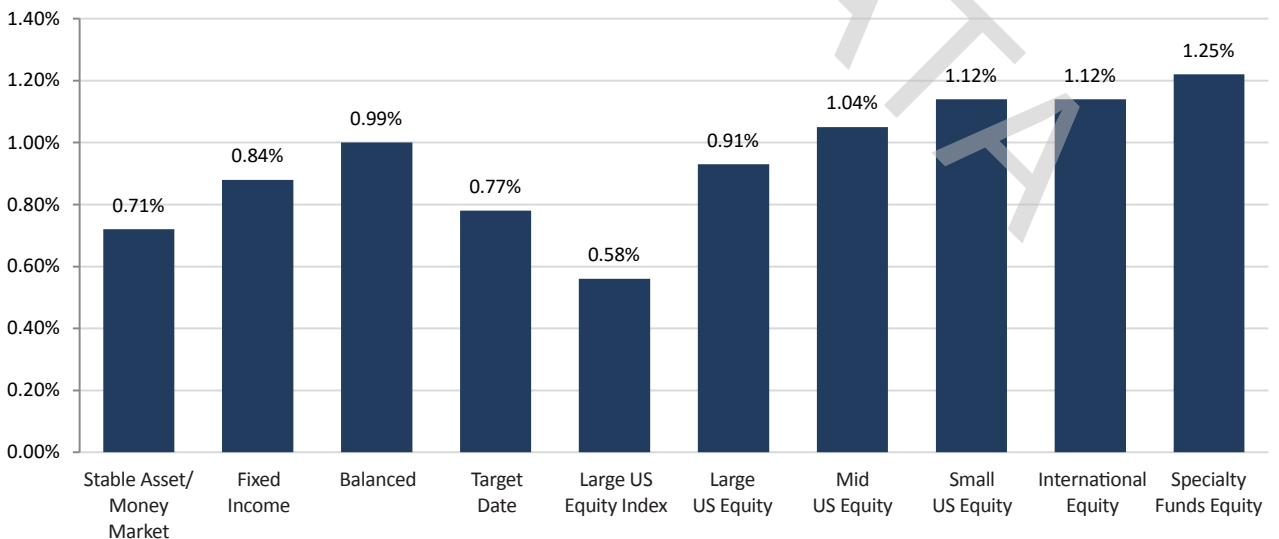


Chart 12.8
Average Investment Cost



** Hard dollar and asset based recordkeeping fees and any allocation to recordkeeping from revenue sharing