

# County of Monterey

## 457(b) and Deferred Compensation Plan

### Fee and Expense Policy Statement

#### **Payment of Expenses**

All expenses incidental to the administration or protection of the Plans, and the management of the assets of the Plans, shall be paid from the assets of the Plan or by the Plan participants; unless the County of Monterey (hereinafter “County”) chooses to pay such expenses directly.

To the extent permitted by law, the County and/or Members of the Deferred Compensation Administrative Committee (hereinafter “Committee”) may be reimbursed from the Plans for any direct expenses properly and actually incurred in connection with the performance of services for the Plan.

Expenses may be paid or reimbursed from the Account only upon the review and approval of the Committee.

#### **Qualified Expenses**

The expenses that may be paid from, or which may be reimbursed to the County and/or Committee for its payment of, include, and are not limited to, the following:

- (a) Ongoing Plan administrative expenses, such as record keeping, legal, auditing, annual reporting, claims processing and similar administrative expenses;
- (b) Investment advisory, investment management, administrative investment or service fees and expenses;
- (c) Costs incurred in preparing, printing and distributing plan-related documents and other Participant communication materials;
- (d) Costs associated with benefit distributions and transactions;
- (e) Expenses to provide investment assistance and education to Participants; and
- (f) Costs for providing on-going education, including the costs of attending seminars and conferences, for members of the Committee, fiduciaries and staff with respect to the Plans as necessary or appropriate to assist in the discharge of their responsibilities to the Plans, pursuant to the Monterey County Travel and Business Expense Reimbursement Policy (as it may be modified from time to time).

## **Participant Fees in Excess of Plans' Administration Service Provider Costs**

The agreements entered into between the County and Plan Administration Service Provider state that participants shall pay an explicit fee which shall be used to pay for various aspects of Plan Administration. This fee may exceed the amount retained by the Plan Administration Service Provider to pay for its services.

Fees collected in excess of those retained by the Plan Administration Service Provider and received by the Plan shall be held in an unallocated trust assets account maintained under the Plan, to be called the Administrative Allowance Account.

Thereafter funds accrued in this account shall be used exclusively for the benefit of Participants and their Beneficiaries, or to defray the reasonable expenses of administering and managing the Plan.

## **Allocation of Excess Plan Administration Fees**

Excess revenue remaining in the Administrative Allowance Account may be allocated to Plan participants at the Committee's discretion. Such amounts shall be allocated to Plan participants based on their pro-rata share of Plan assets.

## **Amendment**

This Fee Policy may be amended by a majority vote of the Committee at any public meeting.

DATED this \_\_\_\_ day of \_\_\_\_\_, 2020.

By \_\_\_\_\_  
Dean Carothers, Chair Monterey County Deferred  
Compensation Administrative Committee