Third Party Administrator Contract Extension Update

Prudential contract amendment extends the current contract for two years through December 31, 2015.

Fee Reduction:
Current Fee: 10.5 basis points
Effective 10-1-2012: a discounted fee of 9.6 basis points
Effective 1-1-2014 (commencement of the renewal period): a discounted fee of 7.9 basis points

Represents a savings of over $590,000 through the existing contract term (12/31/2013) and an approximate $1.7M fee reduction for plan participants on an annual basis (1/1/2014 – 12/31/2015).

Marketing / Communication Enhancements:
Cooperation in the development of a Strategic Marketing Plan
Dedicated Communication Specialist support
Implementation of procedures to capture participant contact information

Operational Efficiencies:
Audit of FX trading practices: anticipated cost $45,000
Data scrub to address issues raised in the PW audit
Grant access / authority to Investment Consultant to more effectively capture data from Custodian and Money Managers