

Department of Personnel Services

Employee Benefits Office  
Dave Comerchero,  
Employee Benefits Manager



County of Sacramento

May 21, 2018

Many of you may have seen a recent communication from Fidelity related to the fee structure changes that became effective January 1, 2018. I want to provide additional, clarifying information on the fees assessed to your account that appear on your quarterly statements.

As mentioned in the Fidelity communication, your County of Sacramento Deferred Compensation Plan is a key benefit to provide additional income in retirement beyond your pension, and it's important that you're informed about updates to the Plan, including the fees charged to you for participating in the Plan.

Plan administrative fees, typically paid by the employee, may include recordkeeping, accounting, education, trustee, and other administrative fees and expenses associated with maintaining the Plan. Historically, plan administrative and investment management fees have been combined and charged to you as a percentage of your account balance. These fees were embedded in the expenses of the Plan's investments and were not easily identified in the participant statements.

Effective January 1, 2018, Sacramento County and Fidelity entered into an agreement where a quarterly fee, determined by your account balance at the close of the prior quarter, will be deducted from your account in each Plan for administrative and recordkeeping services as detailed below. The fee table below has replaced the previous fee structure that was based on a **percentage** of a participant's plan balance. Additionally, the new fee structure clearly separates the fees associated with investments from fees associated with plan administration, trustee, participant education and recordkeeping.

Account Fees	
Plan account balance is equal to or less than \$5,000	\$12 per year (\$3.00 per quarter)
Plan account balance is greater than \$5,000 and equal to or less than \$150,000	\$90 per year (\$22.50 per quarter)
Plan account balance is greater than \$150,000	\$240 per year (\$60.00 per quarter)

This change provides more transparency on account fees. Previously the fees associated with the investments were deducted from your account's performance but never shown on your statements as the account's performance was reported "net" of fees. With the January 1, 2018, changes, participants are now shown all administrative fees associated with their account. The first fee was deducted in April 2018 and will be reflected on your statement for the period ending June 30, 2018. The Plan administrative fee will be shown as a separate line item labeled "recordkeeping fee." In addition, you will see this fee under the "transaction history" section of your account on Fidelity NetBenefits.

Thank you for your service to Sacramento County and for continuing to plan for your retirement. I hope this communication helps to clarify the move to a more transparent fee structure for your investments.

Should you need additional information on the changes, please contact our Deferred Compensation Group at: 916-874-7061 or at:  
<http://inside.personnelservices.saccounty.net/Benefits/Pages/Deferred-Compensation.aspx>

If you have additional questions on your 457(b) account, you may also contact Fidelity directly at: 800-343-0860. If you like to meet with a Fidelity representative to discuss your financial planning, the County has a dedicated Retirement Planner, Kristina Curry, a Fidelity employee available to meet with you to discuss your investments as well as retirement planning. She may be reached at: 916-513-1063

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