

**GFR Services, Inc.  
Defined Contribution Pension  
Plan**

# Initial assessment

- 9 operating entities. Each with its own plan
- HR of largest operating entity (1,100 employees) was very unsatisfied with the existing plan in all aspects (participant education, support service, investment selection process)
- The plan service provider was in control of the plan; we were along for the ride.
- No periodic review or systematic analysis of the plan.

# Treasury takes the initiative to tackle the plan issues

- Join forces with HR to tackle plan issues from the core
- Bring in outside counsel to perform complete structural audit of existing plan vs regulatory requirements
- Improve what we have until we can make complete assessment to develop pertinent action plan

# Phase 1 / Improve what we have

- Immediate fee reduction to plan participants of 65 to 95 basis points depending on investment option
- Periodic reporting and formal review of plan investment selections with replacement recommendations if necessary
- Improved participant support including Spanish speaking agents

# Phase II

- Decision to take total control by building our own plan from the ground up
  - Review plan definitions to group needs
  - Tighten loopholes allowing for participant withdrawals (many participants were tapping funds for non hardship purposes)
  - Reduce regulatory risk
  - Maximize plan functionality, cost reduction and improve service within regulatory and market parameters
- Unbundle all plan functions and seek to optimize each plan element within the regulatory and market constraints
- Send out blind RFPs for each plan function / optimize cost – service mix

# Result

- We custom built our own plan
- Reduced number of plans from 9 to 3 (two union plans each separate, one umbrella plan for all operating entities). Any new business just enters the umbrella plan
- Set up Benefits Committee which has oversight and manages the fiduciary risk
- We continue to make ongoing changes to the plan as warranted
- Participant expenses reduced from 3.3% to 1.2% (\$589,825)