

Participant Notice

Metropolitan Water Reclamation District of Greater Chicago



MWRD Deferred Compensation Plan Fee Changes Coming Soon!

In a continual effort to assist you in meeting your retirement goals, the Metropolitan Water Reclamation District of Greater Chicago 457(b) Deferred Compensation Committee has worked with Innovest Portfolio Solutions LLC, to make the following changes to the 457 Plan.

FEE CHANGES – EFFECTIVE APRIL 1, 2024

How Fees Work Today:

There are costs associated with having a retirement plan. These retirement plan fees cover the following services: administration and recordkeeping, consulting and advisory services, education, and investment management. Currently, these administrative and recordkeeping fees are paid by participants indirectly from a wrap fee attached to select mutual fund options in the plan. In this situation, these fees are dependent upon the investments being selected, meaning that based on the different investments chosen, fees can vary from participant to participant.

Although this fee structure has been common practice for retirement plans, it can lead to less transparency and potentially inequitable application of these administrative fees. Innovest has worked with the MWRD Deferred Compensation Committee to introduce a new method of allocating fees that will improve transparency and apply fees more equitably. This new method is often referred to as fee leveling.

Fee Leveling - How It Will Work:

Fee leveling makes retirement plan fees more transparent and equitable, regardless of the individual investments a participant selects. In addition, participants will have a clearer understanding of what fees they are paying, and no participant will pay more/less administrative fees based on their selected investments. This changes the way fees are paid from the plan.

Administration and Recordkeeping Fees

Corebridge will charge an explicit annual plan administration fee of \$53 per participant to cover recordkeeping and consulting fees*. This fee will be charged quarterly, on a per participant basis. This fee will be clearly reported on your statement as a line-item deduction, unlike the current environment where that fee is incorporated into the management fee and netted out of your investment performance.

Investment Management Fees

Participants will continue to pay investment management fees assessed by the mutual fund company (ex. Vanguard, T. Rowe Price, etc.) based on the investments they select, as they do today. Since the investment fees do not need to cover other retirement plan administrative service costs, participants may see a reduction in their investment management fees.

*fee could fluctuate slightly from year to year depending on the number of participants in the plan

PARTICIPANT ADMINISTRATIVE FEE LEVELING EXAMPLE

Current Structure

T. Rowe Price 2030 Target Date Fund
(TRPCX)

Expense Ratio 0.41%
Wrap Fee (0.10%) - to the plan
Participant Share of Administration Costs = \$100*

New Structure

T. Rowe Price 2030
(TRPCX)

Expense Ratio 0.41%
Wrap fee (0.00%)
Participant Share of Administration Costs = \$53

Current Structure

American Funds EuroPacific Growth fund
(REGX)

Expense Ratio 0.46%
Wrap Fee (0.20%) – to the plan
Participant Share of Administration Costs = \$200*

New Structure

American Funds EuroPacific Growth fund
(REGX)

Expense Ratio 0.46%
Wrap fee (0.00%)
Participant Share of Administration Costs = \$53

*Based on a balance of \$100,000, with 100% of balance in listed fund

Whom do I call for help?

Corebridge Financial – Plan Administrator

- > Balances
- > Investment changes
- > Changes to personal information
- > Other account inquiries

Call (800) 448-2542 or visit <https://www.corebridgefinancial.com/rs/metrowaterdistrict>

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