

Newkirk's

AUTOBOOK

Automatic Enrollment and Compliance Disclosure
Fact Sheet

Automatic enrollment. Participant disclosure.

If you're asked to name three DC market trends, these two items will undoubtedly make your list. But have your enrollment communications kept pace?

Newkirk's *AutoBook* enables you to meet the challenge of communicating auto enrollment to newly eligible participants while satisfying applicable disclosure requirements — and adds another benefit: lower cost.



AutoBook

AutoBook, written in easy-to-understand language and containing plan-specific details, provides these **automatic enrollment** features:

- Notice of participant's automatic enrollment into a sponsor's plan
- Opt-out instructions
- Automatic deferral increase explanation (if plan provides)
- Deferral increase opt-out instructions
- Default investment details
- Alternative plan investments

AutoBook provides these **participant disclosure** features:

- Pension Protection Act's notification requirements for auto plans
- DOL's QDIA notice requirements concerning the plan's default investment(s)
- Fee disclosure to participants — based on DOL's proposed requirement, *AutoBook* provides information about investment-related fees, administrative fees, and fees charged to participants for services (e.g., loan processing, QDRO processing, etc.)

And *AutoBook* adds one big benefit: **lower cost**.

AutoBook is a 5½" x 8½" perfect-bound booklet. Its smaller size means a lower cost. About half the price of Newkirk's typical enrollment booklet. Plus, *AutoBook* can be mailed to newly eligible participants at normal USPS postal rates. No premium rates. And, in most cases, less than one ounce.

AutoBook allows providers to choose from three distinct approaches to investment fee disclosure.

Shown below: **Metrics approach from Newkirk Funds database.**

Default Investment Performance and Fees

The table below provides important information about your default investment (as of 12/31/2008).

QDIA Performance, Fees/Expenses	3 Mos. Total	1 Year Total	5 Yrs. Ann.	10 Yrs. Ann.	Management Style Website	Exp. Ratios
Barclays Global Inv. LifePath 2010 Fund (R)	-8.99%	-17.24%	1.24%	1.91%	Active	Gross: 1.440%
Benchmark: Target Date Index - Less than 5 Years	-5.38%	-9.83%	5.18%	4.83%	www.barclaysglobal.com	Net: 1.10%
Management Fee: 0.35% 12b-1 Fee: 0.25% Other Fees: 0.84% Redemption Fee: 0.00%						
Barclays Global Inv. LifePath 2020 Fund (R)	-14.22%	-25.57%	-0.03%	0.57%	Active	Gross: 1.440%
Benchmark: Target Date Index - 10 Years	-6.97%	-13.93%	5.60%	4.70%	www.barclaysglobal.com	Net: 1.10%
Management Fee: 0.35% 12b-1 Fee: 0.25% Other Fees: 0.84% Redemption Fee: 0.00%						
Barclays Global Inv. LifePath 2030 Fund (R)	-17.93%	-31.19%	-0.82%	-0.24%	Active	Gross: 1.440%
Benchmark: Target Date Index - 20 Years	-8.57%	-17.92%	5.98%	4.50%	www.barclaysglobal.com	Net: 1.10%
Management Fee: 0.35% 12b-1 Fee: 0.25% Other Fees: 0.84% Redemption Fee: 0.00%						
Barclays Global Inv. LifePath 2040 Fund (R)	-20.88%	-35.56%	-1.70%	-1.06%	Active	Gross: 1.440%
Benchmark: Target Date Index - 30 Years	-9.46%	-19.98%	6.19%	4.36%	www.barclaysglobal.com	Net: 1.10%
Management Fee: 0.35% 12b-1 Fee: 0.25% Other Fees: 0.84% Redemption Fee: 0.00%						

Plan advantages

Plan-specific illustrations help participants understand automatic enrollment's advantages.

Sponsor Match

It gets better, though. Under our plan, ABC Black Boards, Inc. will also make a contribution to the plan on your behalf. For each dollar you contribute up to 1% of your pay, we contribute an additional \$1.00. For contributions greater than 1% up to 6%, we will contribute 50 cents for every dollar you contribute.

Let's take another look at our example, this time considering ABC Black Boards, Inc.'s match:

	Match Example
John Sample's Annual Pay	\$43,000
3% Deferral	\$1,290
Sponsor Match	\$1,720
Reduction in Take-home Pay	\$968

Now, at the cost of a \$968 reduction in take-home pay, John Sample has \$3,010 in his retirement account. Naturally, your own situation will be different. But there's no denying the significant impact ABC Black Boards, Inc.'s matching contribution can make.

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Opt-out versus staying in

Plan-specific opt-out instructions provided — and the advantage of staying in highlighted.

Is My Participation Required?

No. You can elect to discontinue your participation in the plan anytime you choose. And, if you decide to "opt out" within 120 days of your initial enrollment in the plan, you will incur no fees or expenses with respect to the plan, and the entire amount of your contributions will be returned.

If you want to opt out: This is a procedure, sign over your first

Impact of Opting Out

You should think carefully about opting out. Why? Putting off your retirement planning can result in a considerably smaller retirement nest egg.

Suppose 30 year-old John Sample opts out now and then re-enrolls in our plan in 10 years. Assuming a 6% return, his projected balance will be \$173,826 when he retires. If he stays in the plan, his balance would be \$357,365.

Individual expense disclosure

Individual expenses explained in detail.

What Expenses Are Associated with Participating?

You may incur expenses in addition to expenses associated with your plan investments as a result of participating in the plan.

Administration Expenses

These are charges for services such as legal, accounting, and recordkeeping expenses. In the plan, these expenses are paid in part by the plan and in part by the plan participants. The portion of administration expenses paid by participants is allocated on a per capita basis. Based on previous experience, your share of these expenses will be approximately \$30 per year, but that this is only an estimate, and your actual share of administration costs may be higher or lower.

Individual Expenses

These are expenses you may incur if you take advantage of certain plan features. Remember that these expenses are only incurred if you elect to do something — like take out a loan.

Loans.— A \$50 processing fee for each new loan and an annual \$25 fee will be charged on your account. In addition, you will pay interest back to your account at a fixed rate of 6.0%.

Qualified Domestic Relations Order (QDRO).— Custom QDRO expense text.

Distributions.— A \$50 processing fee for each type of distribution requested and an annual

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Any Questions?

To find out more about Newkirk's *AutoBook*, call Pete Newkirk at **518-862-3220** or e-mail pnewkirk@newkirk.com.

Visit us online at www.newkirk.com.

