



# Perfect401(k)

*Retirement Planning Perfected*

# Your Perfect401(k)<sup>TM</sup> Plan Proposal

*Partnering with*

*charles*  
SCHWAB  
BANK

*As Plan Custodian*

*Prepared for:*



**LEGACY**

WEALTH MANAGEMENT

*Prepared by:*

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# Executive Summary

The 401(k) industry has experienced massive changes over the last several years due to new regulatory requirements, fiduciary rules, and a Supreme Court decision – not to mention an explosion of related technology. The result is a 401(k) landscape featuring more attractive investment options, much lower fees, and many new plan features to streamline plan operations for employers and to promote “Financial Wellness” for employees.

If you haven’t benchmarked your 401(k) plan lately you may be surprised to learn how much you have to gain. Gone are the days when switching providers was a difficult and time-consuming process. By utilizing best in class technology, Everington Companies can convert your existing plan or implement a start-up 401(k) plan in a few quick and easy steps.



## Choosing Perfect401(k)<sup>™</sup> will...

- ✓ **Dramatically lower your all-in 401(k) Plan Costs.** We provide a truly low-cost 401(k) plan that is **44% less expensive** than the industry benchmark— even *after* considering additional premium services.
- ✓ **Shield your company owners & trustees against personal fiduciary liability.** We construct the best risk mitigation strategy to achieve the industry’s lowest possible personal fiduciary liability for the company owners, trustees, and other 401(k) fiduciaries.
- ✓ **Ensure that your employees receive the best investment advice possible.** We connect your employees with unbiased Registered Investment Adviser Representatives who are highly-qualified and easy to reach. We let your company employees individually select their personally optimal amount of investment assistance.
- ✓ **Give you a High-Tech Plan, but with a human touch.** We provide advanced financial technology, plus an easy-to-reach and highly responsive customer service team. No frustrating, online-only support from do-it-yourself, web-based providers. No endless on-hold times for your staff. From staff to CEOs, we are always ready to help.



# We Give You More for Less

To give you an idea of how low our prices are, below is a comparison versus typical 401(k) provider types, along with an objective Industry Benchmark as found in The 401(k) Averages Book – a respected resource in the industry.

	Perfect401(k) <sup>™</sup>	Typical Payroll Provider	Typical Insurance Provider	Objective Industry Benchmark*
Recordkeeping / TPA (Admin.) Costs	✓			Services Included
Bank Custodian / Rebalancing & Trading	✓	Included in Mutual Fund Internal Expenses	Included in Mutual Fund Internal Expenses	Services Included
Participant Investment Advice & Tech support	✓			Services Included
ERISA 3(21) Fiduciary Consultant to Sponsor	✓			Services Included
Mutual Fund Internal Expense	✓	Services Included	Services Included	Services Included
Wrap Fees / Other Fees	Not Applicable	Included	Included	Included
ERISA 3(38) Fiduciary Delegate Services	✓	✗	✗	✗
Automated Participant Readiness Resources	✓	✗	✗	✗
Plan Cost Benchmarking	✓	✗	✗	✗
Fiduciary Services to 401(k) Committee	✓	✗	✗	✗
<b>TOTAL All-In % Cost Including All Available Services</b>	<b>1.04%</b>	<b>1.50%</b>	<b>2.25%</b>	<b>1.85%</b>

\* *The 401(k) Averages Book – 19th Edition (10 Participants; \$500,000 in plan assets.)*

For purposes of this benchmark comparison, start-up plans with no assets are compared to the benchmark based upon an average participant balance of \$50,000 so that an “All-In” cost as a percentage of plan assets can be accurately compared.

# Benefits Breakdown

How can Perfect401(k)<sup>™</sup> help each of your company's stakeholders?



Department	Benefits
<b>Plan Trustees &amp; Company Owners</b>	<ul style="list-style-type: none"> <li>✓ Substantially Reduced Personal Liability.</li> <li>✓ Low or No Company-Borne Costs.</li> </ul>
<b>Human Resources</b>	<ul style="list-style-type: none"> <li>✓ Paperless Enrollments &amp; Outsourced Support of Plan Participants.</li> <li>✓ Home Delivery of All Required Statements and Disclosures.</li> <li>✓ Eligibility Tracking / Auto-Enrollment.</li> </ul>
<b>Payroll</b>	<ul style="list-style-type: none"> <li>✓ Direct Integration with All Payroll Providers.</li> <li>✓ Automated Plan Funding &amp; Operations.</li> </ul>
<b>Plan Participants</b>	<ul style="list-style-type: none"> <li>✓ Ultra-Low-Cost Investment Alternatives.</li> <li>✓ Mobile App.</li> <li>✓ Brokerage-Window Accts. at No Additional Costs (if enabled by plan sponsor).</li> <li>✓ Online "Retirement Readiness" Tool</li> <li>✓ Optional Personal Acct. Management Services.</li> </ul>



# About Everington Companies

## Everington Consulting Inc. (ECI)

### Third Party Administrator (TPA) & Plan Recordkeeper

Since 2003, ECI has been an innovative provider of low-cost, high performing retirement plans, with a focus on using cutting-edge recordkeeping technology and a steadfast commitment to designing industry-leading plans for rapidly evolving markets.

## Wellington Consulting Services (WCS)

### SEC-Registered Investment Adviser

WCS provides world-class investment advisory services to plan sponsors and individual investors largely unique to the marketplace, including 3(38) "Delegate" fiduciary support for employers.

*Partnering with...*

## Charles Schwab Bank & Charles Schwab & Co., Inc.

### Plan Custodian & Custodian for Assets held in Brokerage Window Accounts

Everington Companies closely integrates with Charles Schwab Bank and Charles Schwab & Co., Inc., some of the largest financial service firms in the world, to provide powerful efficiencies in the delivery of its services. By utilizing Schwab Retirement Technologies, Inc. ("Schwab RT") and a robust plan recordkeeping platform, the Everington Companies can provide resources and paperless online services to both plan sponsors and their 401(k) plan participants.





# Our Game Changers

## Steering Clear of Legal Pitfalls and Lawsuits

The legal and regulatory landscape for 401(k) is changing rapidly. Here are just two of the things we DON'T do - and have never done - that many of our competitors still do, and that could get you in legal trouble:

1. We DON'T use higher cost mutual fund share classes than others available. The Supreme Court has ruled that doing so is a breach of plan sponsor fiduciary duty.
2. We DON'T get paid via kickbacks (known in the industry as "Revenue Sharing") that create incentives for the use of high-cost investment options that don't make sense.

**Service, Service,  
and More  
Service!**

By unbiased humans, by phone, by live chat, by email, for everybody.

*Don't let your 401(k) provider put you at personal risk by doing either of these two things. Not sure if your plan is putting you at risk? Let us take a look!*

## Reduced Personal Liability for Company Owners and Plan Trustees

Company owners and 401(k) plan trustees are held personally liable for the operation of a 401(k) plan. This law is designed to ensure that their decisions are always made in the best interest of the plan participants and their beneficiaries.

If your plan provider is a Registered Investment Adviser acting specifically as an ERISA Section 3(38) "Delegate" fiduciary—like Everington is—then personal liability may be substantially reduced. Everington provides this service as part of our standard pricing. Our competitors typically do not.

*Insist that your 401(k) provider act specifically as an "ERISA Section 3(38)" fiduciary with regard to ALL of the plan's Designated Investment Alternative (DIA's).*

## Flexibility of Investment Assistance for 401(k) Plan Participants

With Perfect401(k)<sup>™</sup>'s flexible plan design, each plan participant is able to select (and only pay for) the optimal amount of investment assistance for themselves personally.

The targeted result is improved Retirement Readiness for all.

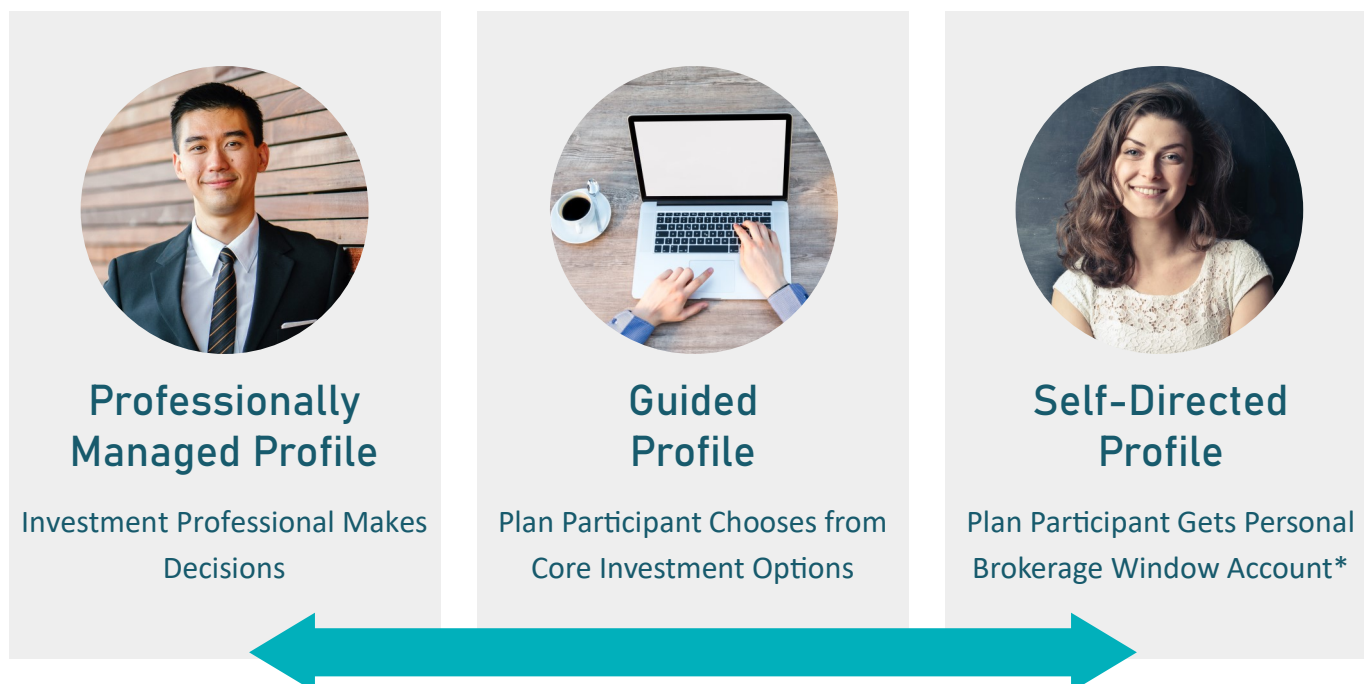
# Investment Assistance

It is crucial for a 401(k) Plan to have quality investment options for plan participants. Everington Companies believes that it is just as crucial to give each plan participant their own, optimal degree of investment assistance.

Furthermore, we believe that plan participants should pay for only the services that they want and utilize.

Therefore, we offer distinct “**Investor Profiles**” to each plan participant to match the degree of investment assistance that they deem optimal.

- ✓ From the “Hands-Off” plan participant who wants nothing more than to fully delegate the ongoing management of their personal 401(k) account to an investment professional...
- ✓ To the person who would like to select their own investments from a “Short-List” of High-Quality and Ultra-Low-Cost investment options...
- ✓ To the “Hands-On” plan participant who would like to make their own investment decisions from an entire universe of available options.









\* There is NO additional cost for Brokerage-Window Accounts.

How about the investor who would like some of each? **No problem.**

Changing between profiles? **Anytime – and without cost.**

# Risk Mitigation Checklist

Perfect401(k)<sup>™</sup> will protect you from the following common risks associated with sponsoring a 401(k) Plan.

Problem	Description of Risk	Solution	
Poor Performance of Participant-Directed	The plan fiduciaries are blamed for poor participant investment performance.	<b>Run Plan in Accordance with ERISA Section 404(c)</b>	
No “Qualified Default Investment Alternatives” Utilized	The plan fiduciaries are blamed for poor investment performance for participants who made no affirmative investment elections.	<b>Use Qualified Designated Investment Alternatives (“QDIA’s”)</b>	
High Cost or Poor Performance of Investment Alternatives Made Available	The plan fiduciaries are blamed for the selection of high-cost or underperforming investment alternatives.	<b>Use Unrestricted ERISA Section 3(38) “Delegate” Fiduciary</b>	
Non-Compliance with Supreme Court Decision	The plan fiduciaries are cited as breaching a landmark Supreme Court precedent by using higher cost mutual fund share classes that frequently incorporate Revenue Sharing payments directly to plan providers.	<b>Use Lowest Cost Share Class of Mutual Funds Available</b>	
Non-Compliance with ERISA 404(a)(1)(A) Fiduciary Duty	The plan fiduciaries are cited as breaching fiduciary duty by using participant money to overpay for plan features. It is prudent to use equivalent and cost-competitive mutual funds from different mutual fund families.	<b>Use More Competitive Mutual Funds from Other Fund Families</b>	
An Independent CPA Firm has not Reviewed the Custodian of the 401(k) Plan Assets	Your plan audit costs (if applicable) will increase substantially and you will not have independent documentation that all assets are present and accounted for.	<b>Use a Custodian Who Supplies an SSAE-16 Statement from an Independent CPA Firm.</b>  (A statement issued from the custodian itself is not independent or sufficient!)	

*In order to mitigate your company fiduciaries’ risk, your 401(k) plan must include **all** of the six design features listed above.*



# Your Plan's Statistics

Your plan was priced based on the following information:

## Plan Assumptions

Estimated Active Plan Participants with Account Balances:	6
Total Plan Assets:	\$0 (Start-Up Plan)

## Your 401(k) Plan's Bottom Line



Your 401(k) plan's minimum annual All-In Cost for comprehensive standard services via Participant Brokerage-Window Accounts is:

**\$1,500 + 0.10% of plan assets**

Your 401(k) plan's annual All-In Cost for comprehensive standard services via a lineup of pre-selected ultra-low-cost mutual funds:

**\$1,500+ 0.63% of plan assets**

including the cost of the available investment option lineup.

Employer (administrative) annual cost is **\$1,500**. As the plan begins to have sufficient assets, all administrative expenses may be deducted from plan assets, as desired.

*Employer receives a tax credit for the first three plan years reducing out-of-pocket annual administrative expenses. Ask us about this for more details.*

*Full Tri-Touch (Phone - Live Chat - Email) plan sponsor and participant One-Stop support.*

*NO frustrating Online-Only communication requirements or pigeonholed plan design!*

*For the purposes of expressing per-head costs as a percentage of plan assets, start-up plans with no assets are assumed to have an average participant balance of \$50,000. This also allows a reasonable benchmark comparison to be made.*



# Your Perfect401(k)<sup>TM</sup> Pricing

## Part 1: Essential Services

These are the standard fees included in Perfect401(k)<sup>TM</sup>'s most popular Investor Profile: the Guided Profile. It includes a core lineup of plan DIA's. To see optional, additional premium services, see Page 11.

Category	Service	Paid by/from	Rate	Your Fee
<b>One-Time Fees</b>	<b>Base Set-Up Fee</b>	Plan Sponsor OR Plan Assets	\$800	\$800
	<b>Per Participant Set-Up Fee</b>		\$30 per Participant	<b>WAIVED</b>
<b>One-Time Fee Total:</b>				<b>\$800</b>
<b>Annual Recordkeeping &amp; TPA Fees</b>	<b>Recordkeeping and TPA Base Charge</b>	Plan Sponsor OR Plan Assets	\$1,500 for up to 10 Participants	\$1,500
	<b>Recordkeeping and TPA Per Participant Charges</b> Includes Online Retirement Readiness Functionality ( <a href="#">Video Here</a> )		\$30 per Additional Participant over 10	\$0
<b>Annual Recordkeeping Fee Total:</b>				<b>\$1,500</b> ( Equivalent to 0.30% of Plan Assets)
<b>Annual Asset-Based Fees</b>	<b>Ave. Mutual Fund Internal Expense*</b>	Plan Assets	0.05% of Plan Assets	
	<b>Bank Custodian / Rebalancing &amp; Trading*</b> Schwab Bank / Everington Companies	Plan Assets	0.08% of Plan Assets	
	<b>Participant Consultation &amp; Tech Support</b> Everington Companies	Plan Assets	0.10% of Plan Assets	
	✓ <b>ERISA 3(38) Fiduciary Delegate*</b> Relief of Plan Sponsor Personal Liability Everington Companies	Plan Assets	0.40% of Plan Assets	
<b>Annual Asset-Based Fee Total:</b>				<b>0.63%</b> of Plan Assets

\* Fee not applicable to assets held in Participant Self-Directed Profile.

✓ = Premium services in addition to those included in Industry Benchmark on Page 3.

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# Your Perfect401(k)<sup>TM</sup> Pricing

## Part 2: Optional Premium Services

These services are available in addition to the Guided Profile's Essential Services for an additional fee and may be selected by your company now or added later. Perfect401(k)<sup>TM</sup> prides itself on *always* having competitive pricing— even when including optional premium services!

Category	Service	Paid by/from	Rate	Your Fee
Annual Optional Fees	✓ <b>ERISA Good Governance Part I: Benchmarking*</b> Optional	Plan Sponsor OR Plan Assets	\$5 per Participant (max. \$250)	\$30
<b>Annual Optional Per-Head Fee Total:</b>				<b>\$30</b> (.010% of Plan Assets)
	✓ <b>ERISA Good Governance Part II: 401(k) Committee Support*</b> Optional	Plan Assets	0.10% of Plan Assets	
<b>Annual Optional Asset-Based Fee Total:</b>				<b>0.10%</b> of Plan Assets

✓ = Premium services in addition to those included in Industry Benchmark on Page 3.

\* Please see Page 15 for details.

Plan participants may individually select Optional Personal Account Management Services for an additional annual fee of **0.75%** of their associated plan assets. If a participant does not select this service, they will incur no Perfect401(k)<sup>TM</sup> money manager charges.



# Employee Investment Options

## Standard Core Mutual Fund Lineup (Fully Customizable)

Description (July 2019)	Symbol	Morningstar Category	Net Exp. Ratio %	Cat. Exp. Avg.	Morningstar Star Rating	Avg Beta
Schwab International Index Fund	SWISX	International Equity	<b>0.06%</b>	1.04%	3	0.96%
Schwab S&P 500 Index Fund	SWPPX	Large-Cap Blend	<b>0.02%</b>	0.96%	5	1.00%
Schwab Treasury - Inflation Protected	SWRSX	Inflation-Protected Bond	<b>0.05%</b>	0.75%	3	0.89%
Schwab Small-Cap Index Fund	SWSSX	Small-Cap Blend	<b>0.04%</b>	1.16%	4	1.23%
Schwab Total Stock Market Index Fund	SWTSX	Large-Cap Blend	<b>0.03%</b>	0.96%	4	1.03%
TIAA-CREF Large-Cap Growth Index Fund Institutional Class	TILIX	Large-Cap Growth	<b>0.05%</b>	1.08%	4	1.08%
TIAA-CREF Large-Cap Value Index Fund Institutional Class	TILVX	Large-Cap Value	<b>0.06%</b>	1.01%	4	0.94%
Vanguard Balanced Index Fund Admiral Shares	VBIAX	Moderate Allocation	<b>0.07%</b>	1.11%	4	1.07%
Vanguard Mid Cap Index Admiral	VIMAX	Mid-Cap Blend	<b>0.05%</b>	1.09%	5	1.06%
Vanguard Short-Term Corp Bond Index	VSCSX	Short-Term Bond	<b>0.07%</b>	0.76%	5	0.42%
Vanguard High-Yield Corporate Fund Admiral Shares	VWEAX	High Yield	<b>0.13%</b>	1.04%	4	0.24%
Blackrock US Total Bond Index	WFBIX	Intermediate-Term Bond	<b>0.05%</b>	0.67%	3	1.00%
Schwab FDIC Insured Interest Bearing Savings Account	N/A	N/A	<b>0.00%</b>	N/A	N/A	N/A
<b>"Basic" Fund Lineup Ave. Mutual Fund / ETF Internal Expense Ratio =</b>			<b>0.05%</b>	<b>0.97%</b>	<b>4.00</b>	<b>0.91%</b>
DFA Real Estate Sector Portfolio	DFREX	Real Estate	<b>0.19%</b>	1.19%	4	0.57%
Oppenheimer Gold & Precious Minerals	OGMIX	Precious Metals	<b>0.75%</b>	1.39%	4	0.16%
Vanguard Emerging Markets Stock Index Admiral Shares	VEMAX	Diversified Emerging Markets	<b>0.14%</b>	1.35%	3	1.02%
Vanguard Financials Index Admiral	VFAIX	Financial	<b>0.10%</b>	1.68%	4	1.11%
Vanguard Health Care Index Admiral	VHCIX	Health Care	<b>0.10%</b>	1.26%	4	0.95%
Vanguard Information Technology	VITAX	Technology	<b>0.10%</b>	1.31%	4	1.20%
Vanguard Materials Index	VMIAX	Natural Resources	<b>0.10%</b>	1.51%	4	1.15%
Vanguard Total World Stock Index Investor Shares	VTWAX	World Stock	<b>0.10%</b>	1.15%	3	0.92%
Schwab "Brokerage-Window" Acct. (Ind. Stocks & Bonds)	N/A	N/A	<b>0.00%</b>	N/A	N/A	N/A
<b>"Expanded" Fund Lineup Ave. Mutual Fund/ ETF Internal Expense Ratio =</b>			<b>0.10%</b>	<b>1.12%</b>	<b>3.90</b>	<b>0.90%</b>

Updated July 2019.



# Our Commitment to You

Perfect401(k)<sup>™</sup> makes setting up or switching your 401(k) Plan quick and stress-free. For over 20 years, we have been committed to providing top-quality 401(k) plans with the most competitive pricing and innovative plan features.

## Simply Priced

At Perfect401(k)<sup>™</sup>, we are dedicated to making our pricing both competitive and transparent. You'll see every penny our firm earns either on invoices sent to your company or as a line-item on participant statements.

Say "Hello!" to a world with honest communication and helpful advice .



## Value Guarantee

Want to make sure you're not overpaying for your company 401(k)?

***The Annual "All-In" (Total) Cost of Everington's Perfect401(k)<sup>™</sup> Plan will be less than that of our competitors' for the equivalent services – or we will match their price.***

Equivalent services include an ERISA Section 3(38) Fiduciary for the plan sponsor and unbiased Registered Investment Adviser Representatives available by phone for employee fiduciary advice.

## Cutting-Edge Participant Online Experience

We provide the latest online technologies for you and your plan participants to manage your accounts. To get a preview, please visit our website and view the short videos at [www.perfect401k.com](http://www.perfect401k.com).

## Easy to Understand

We make 401(k) plan setups and transfers ridiculously easy. Everington provides all the guidance you need to design a 401(k) plan that best suits your company's objectives – and then, we take care of the follow-through. We will work directly with your current plan provider so that your time remains your time.

## With You Every Step of the Way

We give all our clients top customer service, and are dedicated to all parties involved in your 401(k) plan. With Everington, you will have an entire team supporting you and your plan participants every step of the way.



# 401(k) Plan “Must-Have’s”

Without *all* these benefits, a service provider should be *eliminated!*

## 1. Avoids Mutual Funds with Built-In Revenue Sharing Costs

Do you have an investment consultant who is not reviving hidden “Revenue Sharing” payments directly from the mutual funds recommended and is therefore incentivized to recommend the higher cost funds?

## 2. Relieves Personal Liability from Company Owners and Plan Trustees

Does your plan provider act specifically as an ERISA Section 3(38) “Delegate” fiduciary with regard to ALL your plan’s Designated Investment Alternatives? If not, your company owners and 401(k) plan trustees are exposed to substantial personal liability regarding plan assets and any advice.

## 3. Includes Optional Personal 401(k) Account Management Services

Is there individualized assistance for your employees who are less experienced at investing? And is it optional on an employee-by-employee basis and only paid for by the employees who need it and select it?.

## 4. Provides a Dedicated Plan Sponsor Service Team

Are you able to directly contact the same few individuals for all plan support services?

## 5. Provides Direct Participant Access to “Live” and Highly-Qualified Representatives

Do your employees have continuous, direct and *telephone* access to highly-qualified Registered Investment Adviser Representatives (fiduciaries) for investment and retirement advice?

	Perfect401(k) <sup>™</sup>	Competitors
1. Avoids Mutual Funds with Built-In Revenue Sharing Costs	✓	?
2. Relieves Personal Liability from Company Owners and Plan Trustees	✓	?
3. Includes Optional Personal 401(k) Account Management Services	✓	?
4. Provides a Dedicated Plan Sponsor Service Team	✓	?
5. Provides Direct Participant Access to “Live” and Highly-Qualified Representatives	✓	?



# Easy Plan Administration

Perfect401(k)<sup>™</sup> resolves more than just your day-to-day 401(k) plan administration troubles. Choosing our **Good Governance Package** will also cover your ERISA-required duty to periodically compare and benchmark the plan's providers and costs.

## Good Governance Package Part I: Annual Benchmarking Analysis

For each of our plan sponsors, we present a customized annual report that satisfies the ERISA Section 408 (b)(2) fiduciary requirement, which requires plan sponsors to periodically review their 401(k) plans to ensure that fees are both "necessary" and "reasonable."

## Good Governance Package Part II: Plan Sponsor Oversight

We also coordinate and facilitate ongoing plan sponsor oversight by:

- Monitoring industry, regulatory, and legal trends for impact to the 401(k) plan
- Providing customized and complete quarterly 401(k) investment committee meeting minutes and a third-party investment analysis report from [fi360](#) – a recognized expert.
- Creating a website for your company to which we provide and post all quarterly investment committee meeting minutes and fi360 investment option reports.

# Easy Plan Set-Up

## 1

Complete your Plan Sponsor *Applications Package*

## 2

Review Everington's draft of 401(k) Plan Provisions

## 3

Sign the Final Plan Documents

## 4

Everington hosts Online Paperless Employee Enrollment Meeting(s)

## 5

Everington provides plan administrator training

## 6

Everington works directly with current custodian to transfer all assets to Schwab Bank

## 7

You or your payroll provider begin making salary deferral contributions!

Interested in More?

[Take the Tour!](#)

## Everington Companies

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***The presented pricing and features are based upon the stated assumptions and are valid for 90 days.***