Understanding our retirement plan fees and expenses

Saving for retirement is important and that is why we are pleased to provide you a retirement plan to help you meet your retirement goals. Meeting those retirement savings goals is a big undertaking and your retirement account is a convenient way to build up your savings. It also offers important tax benefits that can help those savings grow.

As your employer, we are committed to helping you meet your retirement goals and are committed to ensuring you have all of the information you need to make the most of your retirement plan. That’s why we want to let you know about important communications you will be receiving soon about your plan investments, fees and expenses.

What information will I be receiving?

By August 30, 2012, you will be receiving a notice describing your plan investments, fees and expenses in greater detail. The information in the notice will include general information about the plan and certain rights you have with respect to the plan, along with a description of the administrative fees (e.g., loan and distribution fees) that may be charged against your account. The notice will also include information about the investments provided in the plan, including performance data, investment benchmarking and investment fees and expenses. This investment information will be provided to you typically in a comparative chart format that allows you to easily compare the investment options under the plan.

Why is this information important?

We want you to have all of the information you need to wisely manage your retirement assets. Fees and expenses can affect the returns of your investments and, over time, affect the size of your account balance. Because the cumulative impact of these fees and expenses can be substantial, we want to make sure you are taking this information into consideration when making investment decisions about your retirement assets.

I didn’t think our plan had any fees and expenses? Are these new costs?

No, these are not new costs. As with anything, there are always costs for the products and services you, and all retirement plan participants, receive. What is new is the communications you will receive about these costs, which will provide a clearer picture of the different fees and expenses associated with your participation in the retirement plan.

What are these plan costs that I pay?

You may have three different types of fees and expenses

- Investment-related costs, which include such expenses as fund operating expenses and shareholder type fees (e.g., sales charges, redemption fees, surrender charges and account fees)
- Plan administration fees, which include expenses for recordkeeping, account and third party administration services that are required to operate the plan as a whole
- Individual plan services fees, which include such fees as loan or distribution processing. If you don’t use a particular service, you will not be charged a fee.

Please remember that these fees are not unique to our retirement plan. All retirement plans have fees and expenses in one form or another. When you invest, whether inside or outside of the retirement plan, there are typically costs for such services.
**How do I know our plan’s fees and expenses are fair?**

It is part of our fiduciary responsibility as your plan sponsor to regularly review the plan’s fees and expenses to ensure they are reasonable and competitive for the services you receive.

**How will the investment information help me?**

The goal of providing you the detailed investment information is to help you make better, more informed decisions about how to invest your retirement assets. For variable return options, such as mutual funds, you will be able to see how these investments have performed in the past over various timeframes and see the costs associated with them. Please remember though that past performance does not guarantee future results.

**Does this mean I will be able to see performance information about all of my plan’s investment in one place?**

Yes—and the information will be presented in a comparative and easy-to-understand format. For example, the historical return information for investments such as mutual funds will be presented in a manner that will allow you to compare these investments with one another and with the performance of an appropriate benchmark index (for example, the S&P 500, an index that is often used as a performance benchmark for large company stock investments). The investment returns you will see have already been adjusted to reflect operating expenses, so the figures you see represent net returns. If you would like more information about your investment alternatives, informational websites will be provided in the notice as applicable.

**Aren’t investments and plans with the lowest fees the best?**

Not necessarily. Fees are just one of the many factors you should consider when choosing investments for your retirement assets. Your risk tolerance, investment timeframe and personal goals are also important factors to consider. Note that somewhat higher fees and expenses for specific investments may be appropriate, given what you receive for your money. Bear in mind, however, that higher investment manager fees are not always an indicator of better investment performance. You should be aware of a particular investment’s objectives and strategy, as well as its performance history and how that history stands up when compared to an appropriate benchmark. If a particular investment better satisfies your own objectives, a somewhat higher fee structure may be appropriate. In addition, when servicing the plan, better quality service to ensure plan compliance may require a somewhat higher fee structure.

**Is this new communication a one-time event?**

Actually, no. You will receive a similar statement each year with updated investment information. In addition, you will receive information typically on your quarterly statement that shows you the actual dollar amounts you paid for administrative and investment expenses, along with descriptions of those services. You should see this more detailed fee and expense information for those costs coming out of your account on the 3rd quarter statement in 2012.

We hope this information helps you achieve retirement success. Although your retirement plan does have costs, it also has many valuable features. Please take advantage of the opportunities our plan offers you to save and invest for your future retirement. If you would like more information on plan fees and expenses, the Department of Labor publication “A Look at 401(k) Plan Fees” is available at www.dol.gov/ebsa under Publications and Reports.