

## State of Michigan 401(k) and 457 Fee Structure

As a member of the State of Michigan 401(k) and 457 Plans (the Plans), you will encounter some or all of the fees listed below. Each section contains a brief description of the fee.

### Investment Fees

An investment fee is assessed by the manager of each investment option offered within the Plans. For example, Artisan charges an investment fee for managing the Artisan Mid-Cap Fund.

The amount of annual investment fees participants are charged for each investment offering is based on the amount of assets you have in each investment because fees are calculated as a percentage of your balance. For example, if a fund manager charges an annual investment fee of 0.12% and you invested \$70,000 in that fund, the investment fee you would pay is \$84.

#### INVESTMENT FEE OVERVIEW as of September 30, 2016

| <b>TIER I: Index and Target Funds</b>                                      | <b>Net Fund Fee</b> | <b>Fee per \$1,000</b> | <b>Investment Objective</b> |
|--|---------------------|------------------------|-----------------------------|
| State Street Cash Series Treasury Fund                                     | 0.05%               | \$0.50                 | Short-Term Money Market     |
| State Street Bond Market Index   | 0.06%               | \$0.60                 | General Fixed Income        |
| State Street S&P 500 Index   | 0.02%               | \$0.20                 | Domestic Stock Index        |
| State Street S&P MidCap Index  | 0.05%               | \$0.50                 | Domestic Stock Index        |
| State Street Russell 2000 Index  | 0.05%               | \$0.50                 | Domestic Stock Index        |
| State Street Global All Cap Equity ex US                                   | 0.12%               | \$1.20                 | Foreign Stock Index         |
| Vanguard Emerging Markets Index Fund                                       | 0.10%               | \$1.00                 | Diversified Emerging Mkts   |
| State Street Target Retirement Funds:<br>Income Fund and 2010 – 2055 Funds | 0.12%               | \$1.20                 | Lifecycle                   |

  

| <b>TIER II: Mutual Funds and Common Trust Funds</b> | <b>Net Fund Fee</b> | <b>Fee per \$1,000</b> | <b>Investment Objective</b>    |
|---|---------------------|------------------------|--------------------------------|
| Stable Value  | 0.22%               | \$2.20                 | Investment Contract/Short-Term |
| PIMCO Total Return Instl                            | 0.46%               | \$4.60                 | Intermediate-Term Bond         |
| Prudential High Yield Fund                          | 0.38%               | \$3.80                 | High – Yield Bond              |
| Oakmark Equity & Income Fund                        | 0.42%               | \$4.20                 | Moderate Allocation            |
| Dodge & Cox Stock                                   | 0.41%               | \$4.10                 | Large-Cap Value                |
| Jennison Large Cap Growth Fund                      | 0.32%               | \$3.20                 | Large-Cap Growth               |
| T. Rowe Price Mid-Cap Value                         | 0.65%               | \$6.50                 | Mid-Cap Value                  |
| Artisan Mid-Cap                                     | 0.77%               | \$7.70                 | Mid-Cap                        |
| VOYA Small Cap Growth Equity                        | 0.43%               | \$4.30                 | Small-Cap Growth               |
| Ridgeworth Sm Cap Value I                           | 0.71%               | \$7.10                 | Small-Cap Value                |
| American Funds EuroPacific Growth R6                | 0.49%               | \$4.90                 | Foreign Large Blend            |

### Plan Administration Fee

The plan administration fee is charged for recordkeeping services by Voya Financial<sup>®</sup> and for the administrative expenses of the State.

- It is a flat fee of \$10.25 charged quarterly to your account. Note that prior to 2014, the administrative fee was not a flat fee; instead, it was added as a percentage to the investment fee of each fund. The fee structure was changed in 2014 to make plan expenses more transparent and lower overall fees for most plan participants. The flat dollar administrative fee of \$10.25 is now charged each quarter.
- If you have balances in both the 457 Plan and 401k Plan, your \$10.25 fee will be prorated across both accounts, even if you have separate balances from state and public school employment.

## Optional Program Fees

The fees described below will be charged only if you choose to take advantage of additional options offered through the Plans.

### Self-Managed Account

- Self-Managed Account Fees \$12.50 quarterly
- Other fees may apply depending on the chosen investments.

### Advisor Service Fees

- The Personal Online Advisor is offered at no cost for participants with a balance in their account.
- The Professional Account Manager is available to all participants and has the following fee schedule:

| <u>Account Balance</u> | <u>Monthly Fee</u>             | <u>Annualized</u> |
|------------------------|--------------------------------|-------------------|
| <u>Tier</u>            | <u>as a percent of balance</u> |                   |
| First \$100,000        | .0250%                         | .30%              |
| Next \$150,000         | .0208%                         | .25%              |
| Over \$250,000         | .0167%                         | .20%              |

*For example, participants with account balances shown below would be charged:*

| <u>Account Balance</u> | <u>Monthly Fee</u> | <u>Annualized</u> |
|------------------------|--------------------|-------------------|
| \$10,000               | \$2.50             | \$30              |
| \$100,000              | \$25.00            | \$300             |
| \$250,000              | \$56.20            | \$675             |
| \$300,000              | \$64.55            | \$775             |

### Loan Fees\*

- Initiation Fee: \$75.00 per loan
- Loan Management Fee: \$8.75 *per quarter*

### Distribution / Withdrawal Fees\*

- Full Distribution Fee\*\*: \$75.00
- Partial Distribution Fee\*\*: \$25.00
- In-service Withdrawal Fee: \$50.00

### Other Administrative Fees\*

- Qualified Domestic Relations Order (QDRO) Fee: \$450.00

\* For new requests initiated on or after January 13, 2014

\*\* Excludes installments, participants over age 70, Required Minimum Distributions, distributions under \$100, and automated payouts (for residuals and deminimus loans).