

**COST SHARING POLICY
FOR
401(k) AND ERISA 403(b) PLAN EXPENSES**

CHARGES TO PARTICIPANT ACCOUNTS MUST BE REASONABLE.

Plan Sponsor and Other Plan Fiduciaries are Responsible:

- Plan sponsors are responsible for assuring that expenses charged to participant-directed accounts are reasonable.
ERISA Section 404(a)(1)(A)(ii) and ERISA 404(c) reg. sec. (b)(2)(ii)(A)
- Recent case law supports and enforces this responsibility.
Tibble v. Edison International, Inc. CV 07- 5359 SVW (CD Cal. 7-8-10)

Document; Document; Document

Documentation is the best process for managing fiduciary liability exposure.

- Document the policy for making fiduciary decisions
- Document the decision making process
- Document the decision

Sunlin Cost Sharing Policy Services:

- Identify current cost sharing policy
- Identify investment fund revenue sharing available
- Identify alternatives for applying revenue sharing credits
- Provide advice on evaluating alternatives
- Prepare policy draft for plan committee review and plan sponsor approval
- Assist in plan committee's annual review of plan expenses and documentation of policy compliance