



# DAP

A lifelong retirement plan

# Heads Up

Directed Account Plan 401(k) Quarterly Newsletter

January 2024

## ANNUAL PLAN EXPENSE REVIEW

Your 401(k) plan expenses are reviewed every year in the January Heads Up newsletter. We are happy to report that the cost of operating the DAP has gone down again in 2024. The 2024 Operation Budget is 18% lower than the 2023 Budget. The DAP continues to deliver a best in class 401(k) plan at a low cost for our participants. Starting with this issue, the Heads Up newsletter will continue to be posted online at [www.dap401k.com](http://www.dap401k.com) and it will not be mailed with the statements. The plan will save money by eliminating the cost of paper, printing and mailing with this new format.

### General Overview of Fees & Expenses

Plan fees and expenses fall into 3 categories:

**Plan Administration Fees** - The day-to-day operations of a 401(k) plan involves expenses for basic and necessary administrative services. The DAP plan administration fee includes all fees paid to service providers such as the Trustee, Investment Advisor, Recordkeeper, Lawyer, DAP Office, Board and Accountant. Any fees related to the operations of the plan fall under this category of fees. **Table One** describes the fee in detail.

**Investment Fees** - The largest component of 401(k) plan fees and expenses is associated with managing plan investments.

**Individual Services** - There are individual service fees associated with optional features such as express delivery, loan services, financial advisory services, manual processes and a full account withdrawal. Individual service fees are charged separately to the accounts of individuals who choose to take advantage of an optional service.

### How Much am I Paying?

Your DAP 401(k) plan continues to operate at a low cost and plan expenses have been decreasing over time. The cost to operate the DAP in 2024 is budgeted at \$579,714. Every participant in the Plan is charged a monthly fee of 0.0075% of their average account balance. The total amount collected monthly is used to pay for the plan expenses.

Your investment fees are disclosed monthly online at [dap401k.com](http://dap401k.com). Log into your personal account, and select Account, Overview from the menu bar at the top of the landing page. The navigational bar on the left side of the Account Overview page is organized into four sections - Account Overview, Investments, Withdrawals, and Plan Information. Your Notice of Investment Returns & Fee Comparison is posted monthly under Plan Information, Disclosure Notices. This notice is also delivered to you every November according to your communication preference on record. Your investment fees depend on your investment

allocation. For example, if your account balance is invested - 50% Vanguard Target Retirement 2050 Fund and 50% Russell All Cap Index, your annual investment fee 0.05%.  $(50\% \times 0.08\%) + (50\% \times 0.02\%) = 0.05\%$  or 5 basis points.

In a recent investment expense analysis performed by Fiducient Advisors, the Plan Investment Advisor, the median expense ratio for the DAP funds (excluding the brokerage option) was an annual 0.35% as compared to 0.63% for peer Plans.

TABLE ONE - PLAN ADMINISTRATION FEE

Current Fee	The annual plan administration fee is 0.09% or a 0.0075% monthly. This is a decrease from 0.01% monthly.
How is the Fee Determined?	The Plan Administration Fees are collected monthly from participant accounts to pay for the operation of your 401(k) plan. The Board of Directors and Investment Advisor meet quarterly and review the main factors that affect this fee at each meeting. The main factors are total plan assets and budgeted operating expenses. When the fee is changed, you will be notified 30 days in advance by the communication preference that you have elected - either mail or electronic delivery.
When is the Fee Charged?	Monthly between the 5th and 8th day
Where do I Find the Fee?	On your statement, the description is <b>participant account maintenance fee</b> . Online at <a href="http://www.dap401k.com">www.dap401k.com</a> , under <b>transaction activity</b> , the description is <b>fee</b> .
Calculation Method	Your previous month's average asset balance X 0.0075%.
Example of the Fee Charge	January Average Balance: \$100,000 Monthly Plan Administration Fee: 0.0075% Calculation: $\$100,000 \times 0.000075 = \$7.50$ . \$7.50 Fee is collected from your account in February to pay plan fees.



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## Cybersecurity Awareness

Empower is the recordkeeper for your DAP Account. Empower has taken steps to safeguard your retirement plan account information.



- **Confirmation of account change** - If you change any personal information or take a withdrawal in your DAP account, you will receive a confirmation. This means you will be alerted if this information has been changed without your knowledge.
- **Multifactor authentication** - When you log in with your current username and password, follow the instructions provided to receive a verification code via an email or text. This extra step is taken to protect your privacy and website login security.

**Empower Security Guarantee** - Empower is committed to maintaining the highest level of online security and the protection of personal information and accounts. Their security efforts cross networks, applications, data and users. They have invested in systems and staff a team with experienced security professionals, and employ multilayer processes to protect your information and accounts. They also continually evaluate, increase and update security measures to protect you. Empower stands behind its online security with the **Empower Security Guarantee**. **This guarantee states that Empower will restore losses from your account that occur as a result of unauthorized transactions through no fault of your own.**

### Recommended tips for protecting your DAP Account

**Register your DAP account online** - Registering your DAP account at [www.dap401k.com](http://www.dap401k.com) reduces the risk of hackers falsely registering your account. Click the green **Register** button to establish a unique username and password and security questions. Enter your mobile phone number and email for security alerts.

**Use strong passwords and PINS** - Use strong passwords that contain both numbers, letters and symbols. Do not share this information with others, and do not store them on your computer. You should change your passwords and PINS regularly and use a different password for each of your accounts.

**Maintain your computer security** - Personal firewalls and security software packages (with anti-virus, anti-spam, and spyware detection features) are a must if you engage in online financial transactions. For laptops, use encryption software.

**Log out completely** - Always click the "log-out" button to terminate your access to any website where your personal information is accessible, such as your online banking site or that of any financial institution. Access may not be terminated if you simply close your browser or type a new web address when you are done using your online account.

**Be prudent when using wireless connections** - Unsecured Wi-Fi connections do not provide as much security as wired internet connections, encrypted wireless networks or your mobile carrier's cellular data connections. Many hotspots - wireless networks in public areas like airports, hotels and restaurants - reduce their security setting, so it is easier for individuals to access and use these wireless networks which increases the risk to your personal accounts.

**Don't respond to emails requesting personal information** - Legitimate companies will not ask you to provide or verify sensitive information through email. If your financial institution actually needs personal information from you, call the company yourself - using the number in your files or on your statement, not the one the email provides!

**Safeguard your Social Security Number** - Do not use your Social Security number as a username, password or PIN, and make sure it does not appear on your printed checks. You should also be sure to safeguard the Social Security numbers of any dependents.

**Do a periodic identity theft check** - Reviewing your credit report may alert you to unauthorized activity. You can obtain a free credit report every 12 months from three different credit bureaus by contacting the Annual Credit Report Service at: [annualcreditreport.com](http://annualcreditreport.com)

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**Empower DAP Specialist**  
1-844-861-4327

**Informational Web Site:**  
[dapretirement.com](http://dapretirement.com)

**Personal Account Access:**  
[www.dap401k.com](http://www.dap401k.com)