

**Defined Benefit Administration  
Benchmarking Analysis**  
Fiscal Year 2014

**WISCONSIN EMPLOYEE TRUST  
FUNDS**

Final Report - 5 May, 2015

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## Contents

<b>1 Executive Summary</b>	
<b>2 Peer Characteristics</b>	
Custom peer group .....	2-2
Peer characteristics .....	2-3
Participant profiles .....	2-4
All participant characteristics .....	2-6
<b>3 Total Cost</b>	
Total pension administration cost by activity .....	3-2
Cost trends .....	3-4
Reasons why your total cost differs from your peers .....	3-7
Cost per member type .....	3-16
Cost per weighted member .....	3-19
Cost as a % of total assets .....	3-20
Reconciliation to costs provided on the survey .....	3-21
<b>4 Activity Costs</b>	
Calculation of your activity costs .....	4-2
Summary comparisons of activity costs by quartile breakdown .....	4-3
Calculation of fully-attributed front-office costs .....	4-46
<b>5 Staff Costs and Productivity</b>	
Total FTE .....	5-2
FTE by activity .....	5-3
Salaries and benefits .....	5-5
Productivity .....	5-8
<b>6 Transaction Volumes</b>	
Workload: Weighted transaction volume per member .....	6-2
Comparison of transaction volumes by activity .....	6-5
Online transactions .....	6-9
<b>7 Service Levels</b>	
Total Service Score .....	7-2
Comparisons of activity service scores .....	7-3
Service trends .....	7-5
Biggest potential improvements to your total service score .....	7-7
Graphical comparison of key measures .....	7-9
Service scores by activity .....	7-11
<b>8 Complexity</b>	
Total relative complexity .....	8-2
Complexity scores by cause .....	8-3
<b>9 IT and Major Projects</b>	
IT/IS costs .....	9-2
Major project costs .....	9-3
Key measures of CRM/IT capability .....	9-6
CRM/IT capability score .....	9-7
<b>10 Appendices</b>	
Appendix A - Survey responses .....	10-2
Appendix B - Foreign currency conversion .....	10-51
Appendix C - Activity definitions .....	10-52
Appendix D - Service model changes .....	10-60
Appendix E - Defaults .....	10-62

## How do other systems use CEM's pension administration benchmarking service?

- Measure and manage costs. Understand the factors influencing cost with a detailed peer analysis of your:
  - Staff costs
  - Transaction volumes
  - Productivity
- Measure and manage service. An analysis of over 120 key performance metrics that compares:
  - Your service levels relative to your peers
  - Service areas to improve or reduce
- Gain insights into current research on pension administration best practices and trends through CEM's *Insights* . Research publications in 2015:
  - Pension Administration Trends in Employer Services
  - Fruit Instead of Ice Cream: Can You Tempt Your Members with Lower Cost Transactions?
  - Engaging Your Members through Social Media
- Network with your peers at CEM's annual Global Pension Administration Conference to share best practices in pension administration
- Access to CEM's online peer network for research and current issues in pension administration
- Benchmarking is critical because *"What gets measured, gets managed"*

## 74 leading global pension systems participate in the benchmarking service.

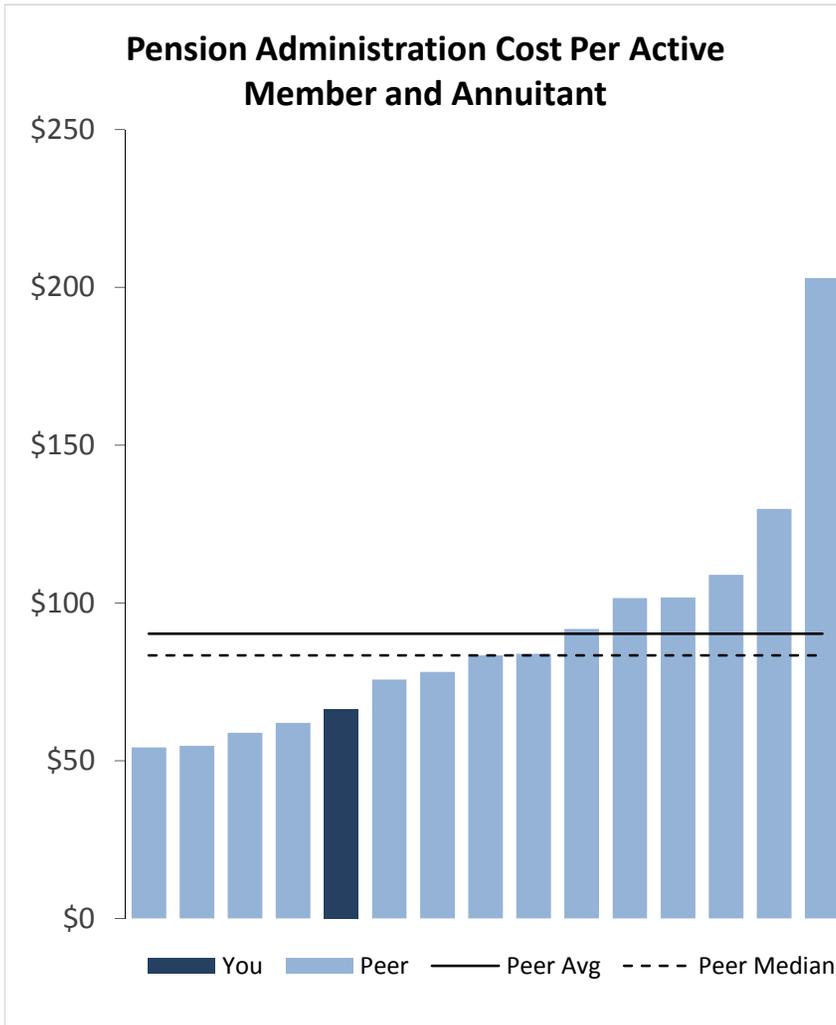
<b>Participants</b>			
<b><u>United States</u></b>		<b><u>Canada</u></b>	<b><u>Australia*</u></b>
Arizona SRS	Pennsylvania PSERS	APS	AustralianSuper
CalPERS	South Carolina RS	BC Pension Corporation	BUSS(Q)
CalSTRS	South Dakota RS	Canada Post	CBUS
Colorado PERA	STRS Ohio	Defence Canada	First State Super
Delaware PERS	TRS Illinois	Desjardins	HESTA
Florida RS	TRS Louisiana	FPSP	QSuper
Idaho PERS	TRS of Texas	HOOPP	REST
Illinois MRF	Utah RS	LAPP	StatewideSuper
Indiana PRS	Virginia RS	OMERS	SunSuper
Iowa PERS	Washington State DRS	Ontario Pension Board	VicSuper
KPERS	Wisconsin DETF	Ontario Teachers	
LACERA		OPTrust	
Maine PERS	<b><u>The Netherlands</u></b>	RCMP	<b><u>United Kingdom*</u></b>
Michigan ORS	ABP	Saskatchewan HEPP	Armed Forces Pension Schemes
MOSERS	bpfBOUW		Principal Civil Service Pension Scheme
Nevada PERS	Pensioenfond Metaal en Techniek	<b><u>Denmark</u></b>	Railway Pensions
North Carolina RS	Pensioenfond van de Metalektro	ATP	Rolls Royce
NYC TRS	PFZW		Shell UK
NYSLRS	Rabobank Pensioenfond	<b><u>United Arab Emirates</u></b>	Scottish Public Pension Agency
Ohio PERS	Pensioenfond voor de	Abu Dhabi RPB	The Pension Protection Fund
Ohio SERS	Woningbouwcorporaties		Universities Superannuation Scheme
Oregon PERS			

\* Systems in Australia and the UK complete different benchmarking surveys and hence your analysis does not include their results.

## The custom peer group for Wisconsin DETF consists of the following 15 peers:

Custom Peer Group for Wisconsin DETF			
Peers (sorted by size)	Membership (in 000's)		
	Active Members	Annuitants	Total
NYSLRS	524	422	947
CalSTRS	421	274	695
Ohio PERS	347	195	543
Virginia RS	341	177	519
Michigan ORS	236	255	492
Pennsylvania PSERS	260	214	474
Washington State DRS	296	158	454
<b>Wisconsin DETF</b>	<b>257</b>	<b>180</b>	<b>437</b>
Indiana PRS	257	138	395
STRS Ohio	211	154	365
Arizona SRS	203	130	334
Colorado PERA	229	103	332
Oregon PERS	162	131	294
Illinois MRF	174	107	281
Iowa PERS	166	108	274
Peer Median	257	158	437
Peer Average	272	183	456

**Your total pension administration cost was \$66 per active member and annuitant. This was \$24 below the peer average of \$90.**



Category	\$ per Active Member and Annuitant			\$000s
	You	Peer Avg	Peer Med	
Member Transactions	9	14	12	3,770
Member Communication	16	16	16	6,971
Collections and Data Maintenance	4	7	5	1,682
Governance and Financial Control	4	6	5	1,770
Major Projects	7	9	7	3,192
Information Technology	16	23	19	7,152
Support Services and Other	10	17	14	4,447
<b>Total Pension Administration</b>	<b>66</b>	<b>90</b>	<b>83</b>	<b>28,984</b>

Your total pension administration cost was \$29.0 million. This excludes the fully-attributed cost of administering healthcare, and optional/third-party administered benefits of \$6.3 million.

## Reasons why your total cost was \$24 below the peer average.

Reason	Impact
1. Economies of scale advantage	-\$0.70
2. Lower transactions per member (workloads)	-\$1.50
3. Lower transactions per FTE (productivity)	\$0.40
4. Lower costs per FTE for: salaries and benefits, building and utilities, HR and IT desktop	-\$16.60
5. Lower third-party and other costs in front-office activities	-\$3.96
6. Paying more/-less for back-office activities <sup>1</sup> :	
- Governance and Financial Control	\$0.10
- Major Projects	-\$0.27
- IT Strategy, Database, Applications (excl. major projects)	\$0.72
- Actuarial, Legal, Audit, Other Support Services	-\$2.11
<b>Total</b>	<b>-\$23.92</b>

<sup>1</sup> To avoid double counting, back office costs are adjusted for economies of scale and cost per FTE for: salaries, benefits, building, utilities, IT desktop and human resources. These figures will, therefore, not match the unadjusted back office cost differences on the previous page.

The following pages detail the key reasons why your total cost is different from your peers.

**You had lower costs per FTE for: salaries and benefits, IT desktop, networks and telecom, building and utilities, and human resources.**

Cost per FTE			
	You	Peer Avg	FTE-Wtd Peer Avg
Salaries and Benefits	\$67,909	\$86,001	\$86,288
Building and Utilities	\$6,207	\$9,605	\$10,024
Human Resources	\$2,964	\$2,970	\$3,208
IT Desktop, Networks, Telecom	\$6,379	\$13,118	\$12,834
<b>Total</b>	<b>\$83,459</b>	<b>\$111,694</b>	<b>\$112,354</b>

Your lower costs per FTE decreased your total cost by \$16.60 per member relative to the peer average.

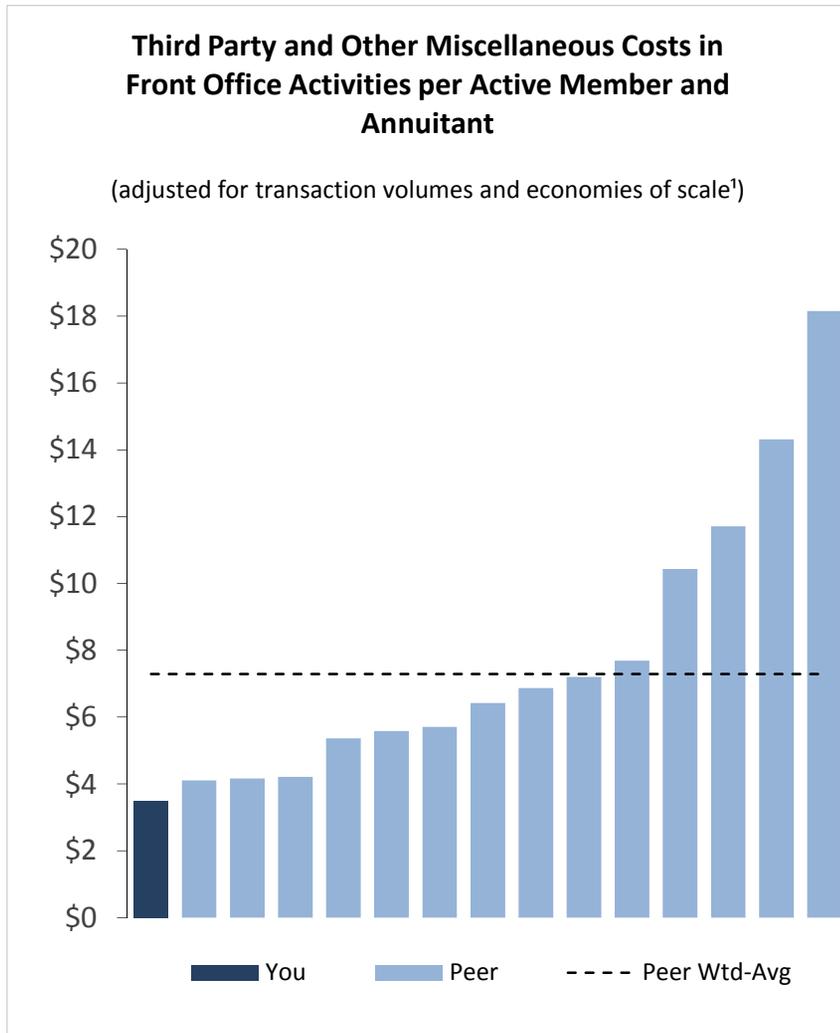
The peer average is weighted such that peers with more FTEs get a higher weight because 'cost per FTE' differences matter more for peers with more FTEs.

Differences in your cost per FTE reflect differences in:

- Organization structure, strategy and history.
- Outsourcing and use of consultants.
- Cost environment of your location vs. peers.

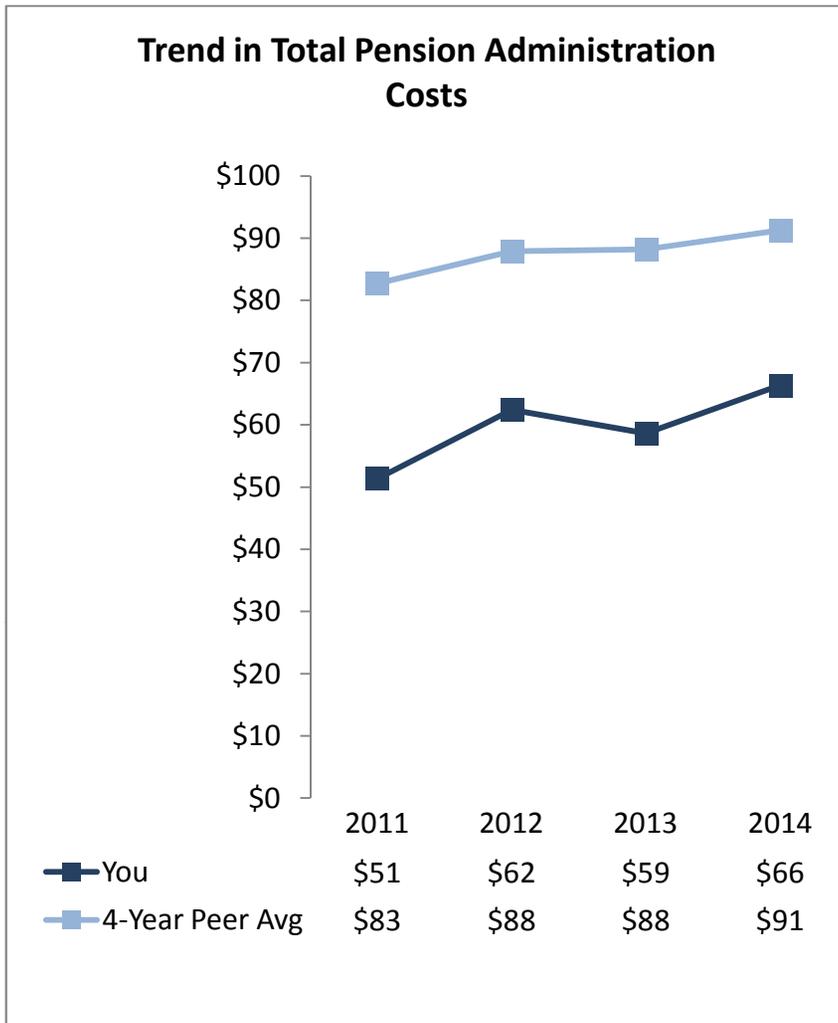
Labor costs in your area were 9% below the peer average.

## You had lower third party and other miscellaneous costs in the front-office activities.



- Your third party and other miscellaneous costs (such as travel, office supplies, etc.) in the front-office activities<sup>2</sup> were \$3.50 per member which was 52% below the peer weighted average of \$7.29.
- Your lower third party costs decreased your total cost per member by \$3.96 relative to the peer average.

## Cost Trends



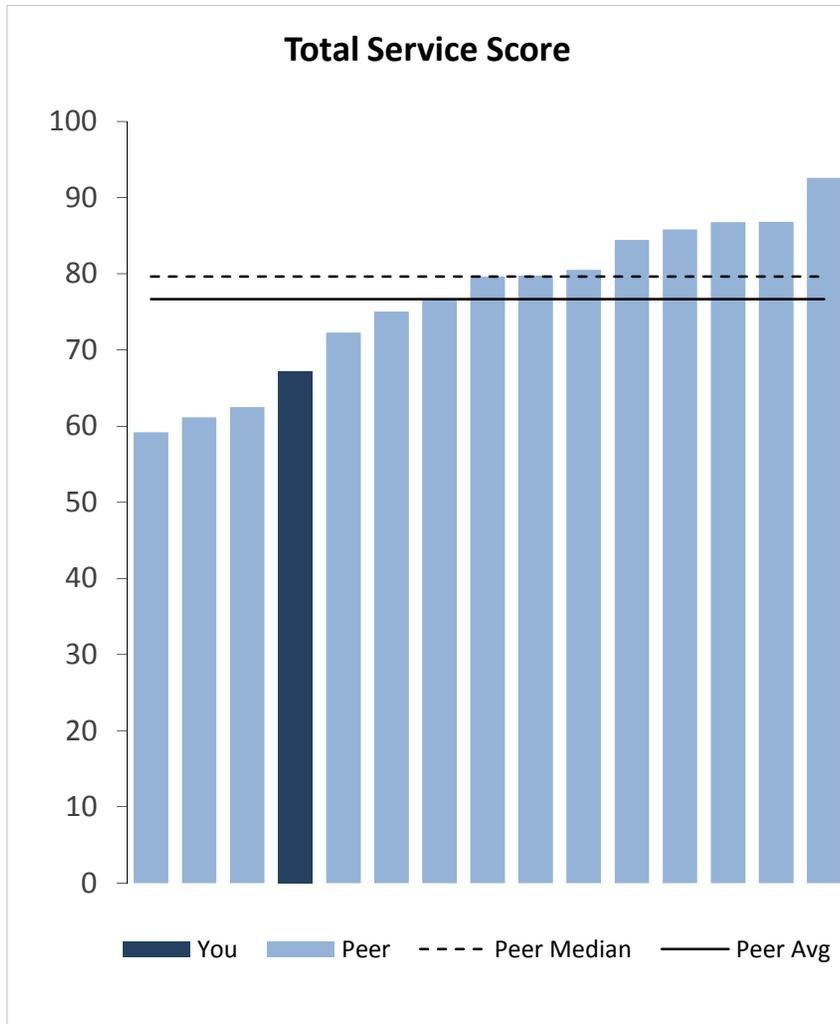
You are in the midst of two significant, multi-year projects to update your operations:

- Transformation Integration Modernization Project (TIM) that will modernize your business processes and integrate your information technology systems
- New benefit administration system

Despite the increased spending, your costs remain well below those of your peers.

Trend analysis is based on systems that have provided 4 consecutive years of data (14 of your 15 peers).

**Your total service score was 67. This was below the peer median of 80.**



Service Scores by Activity			
Activity	Weight	You	Peer Median
<b>1. Member Transactions</b>			
a. Pension Payments	19.7%	99	100
b. Pension Inceptions	7.4%	91	86
c. Withdrawals and Transfers-out	1.3%	28	88
d. Purchases and Transfers-in	3.1%	90	84
e. Disability	3.8%	82	84
<b>2. Member Communication</b>			
a. Call Center	21.2%	43	62
c. 1-on-1 Counseling	7.4%	72	89
d. Member Presentations	6.5%	93	93
e. Written Pension Estimates	4.7%	72	85
f. Mass Communication			
a. Website	11.4%	22	81
b. Newsletters	2.8%	72	77
c. Member statements	4.7%	89	88
<b>3. Other</b>			
Satisfaction Surveying	5.0%	34	34
Disaster Recovery	1.0%	58	87
<b>Weighted Total Service Score</b>	<b>100.0%</b>	<b>67</b>	<b>80</b>

## Examples of key service measures included in your Service Score:

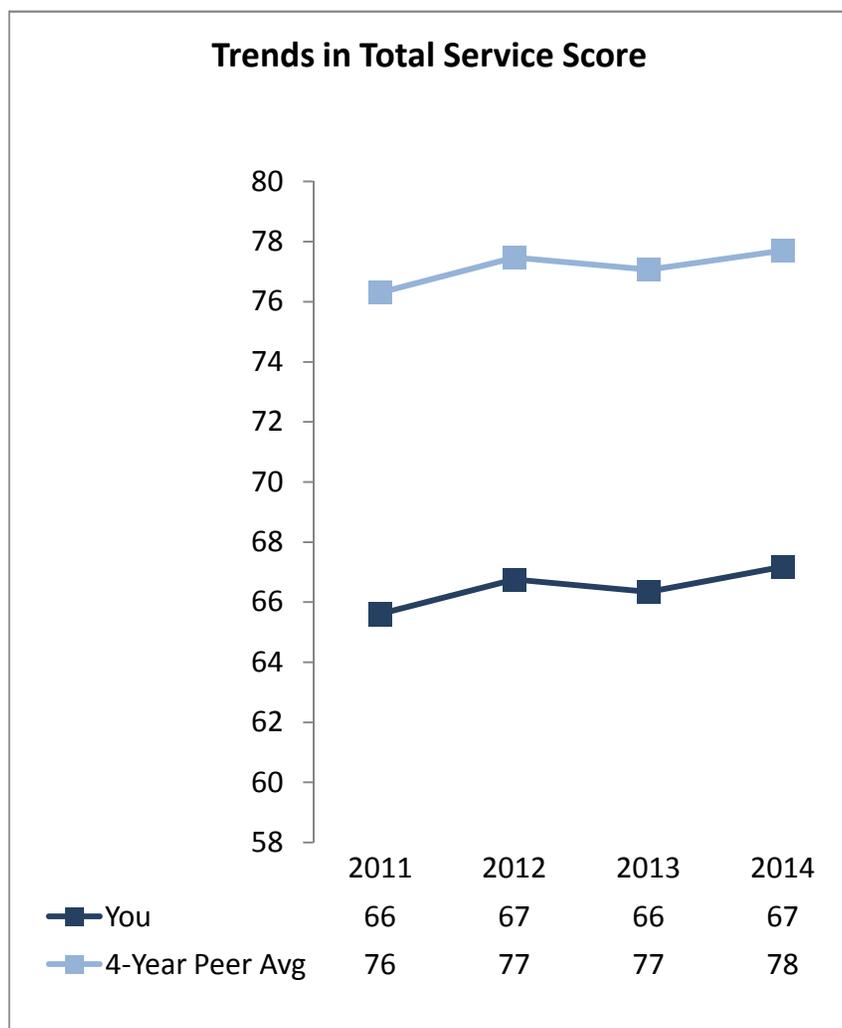
Select Key Service Metrics	You	Peer Avg
<u>Member Contacts</u>		
• % of calls resulting in undesired outcomes (busy signals, messages, hang-ups)	12%	16%
• Average total wait time including time negotiating auto attendants, etc.	208 secs	218 secs
<u>Website</u>		
• Can members access their own data in a secure environment?	No	93% Yes
• Do you have an online calculator linked to member data?	No	80% Yes
• # of other website tools offered such as changing address information, registering for counseling sessions and/or workshops, viewing or printing tax receipts, etc.	3	11
<u>1-on-1 Counseling and Member Presentations</u>		
• % of your active membership that attended a 1-on-1 counseling session	2.2%	3.9%
• % of your active membership that attended a presentation	6.5%	6.3%
<u>Pension Inceptions</u>		
• What % of annuity pension inceptions are paid without an interruption of cash flow greater than 1 month between the final pay check and the first pension check?	99.0%	85.0%
<u>Member Statements</u>		
• How current is an active member's data in the statements that the member receives?	3.0 mos	2.2 mos
• Do statements provide an estimate of the future pension entitlement?	Yes	67% Yes

## Where can you improve your total service score?

Potential improvements to your total service score		
Rank	Factor	Potential Improvement
# 1	On average, members calling your call center reach a knowledgeable person in 208 seconds. To achieve a perfect service score, members must reach a knowledgeable person on the phone in 20 seconds or less. (The peer group median wait time was 183 seconds.)	+ 3.8
# 2	Your interactive calculator is not linked to member data. To achieve a perfect service score you must link member data to your interactive calculator.	+ 2.3
# 3	11.6% of your incoming calls resulted in undesired outcomes. To achieve a perfect service score, members must experience no undesired call outcomes. (The peer group had 16.2% undesired calls on average.)	+ 2.0

- CEM is not recommending these changes.
- Service improvement should be cost effective and important to your members.

## Your service score increased from 66 to 67 between 2011 and 2014.



Trend analysis is based on systems that have provided 4 consecutive years of data (14 of your 15 peers).

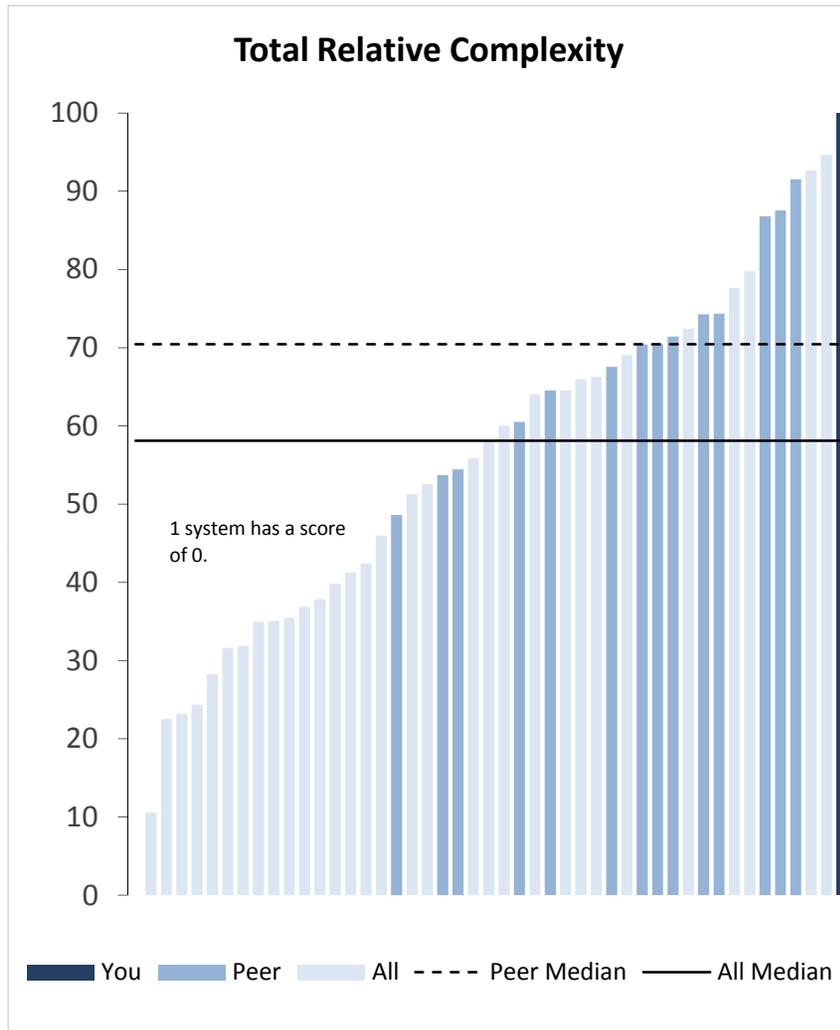
Historic scores have been restated to reflect changes in methodology. Therefore, your historic service scores may differ from previous reports.

Improvements in the following service areas had the biggest impact on your service score:

- **Satisfaction surveying:** You have expanded your satisfaction surveying program and now also survey calls.
- **Member statements:** You now offer the option of emailing statements (or an email link to the statement) to your members. Data in the statement is also current to 3 months, versus 4 months in 2011.
- **Pension estimates:** The turnaround time for a written estimate is faster, from 18 days in 2011 to 13 in 2014.
- **1-on-1 counseling:** Member wait times are shorter.

The improvements above were partially offset by the highly-weighted calls activity. Undesired call outcomes, such as busy signals and abandoned calls, increased from 6.0% to 11.6%.

**Back-office costs and productivity are impacted by system complexity. Your total relative complexity score of 100 was above the peer median of 70.**



Relative Complexity Score by Cause (0 least - 100 most)		
Cause	You	Peer Avg
Pension Payment Options	56	54
Customization Choices	100	24
Multiple Plan Types and Overlays	95	53
Multiple Benefit Formula	27	43
External Reciprocity	35	29
COLA Rules	12	30
Contribution Rates	36	54
Variable Compensation	100	81
Service Credit Rules	59	61
Divorce Rules	100	69
Purchase Rules	55	68
Refund Rules	31	52
Disability Rules	82	78
Translation	0	7
Defined Contribution Plan Rules	100	73
<b>Total Relative Complexity</b>	<b>100</b>	<b>72</b>

## Key Takeaways:

### Cost

- Your total pension administration cost was \$66 per active member and annuitant. This was \$24 below the peer average of \$90.
- The primary reasons why:
  - Lower cost per FTE
  - Lower third party and other miscellaneous costs
- You are in the midst of two significant, multi-year projects to update your operations: Transformation Integration Modernization Project , new benefit administration system. Your costs were low compared to the peer group in spite of these investments.

### Service

- Your total service score was 67. This was below the peer median of 80.
- Your service score increased from 66 to 67 between 2011 and 2014.

# Peer Characteristics

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This section contains:

- Your custom peer group
- A comparison of the characteristics of all participants

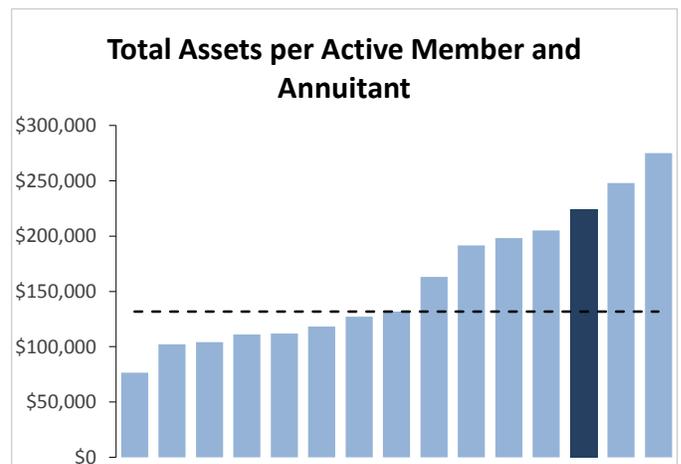
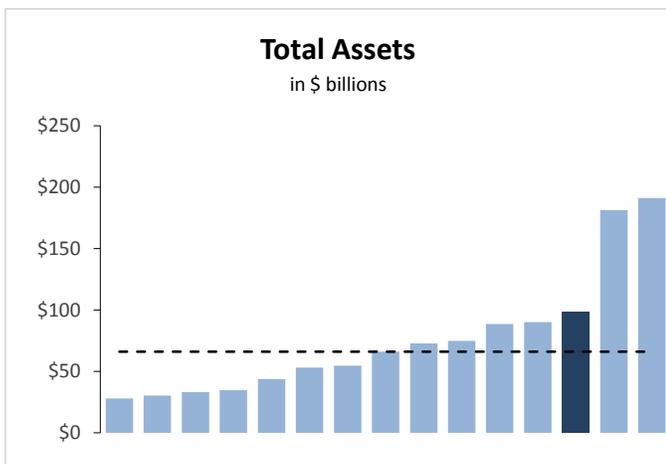
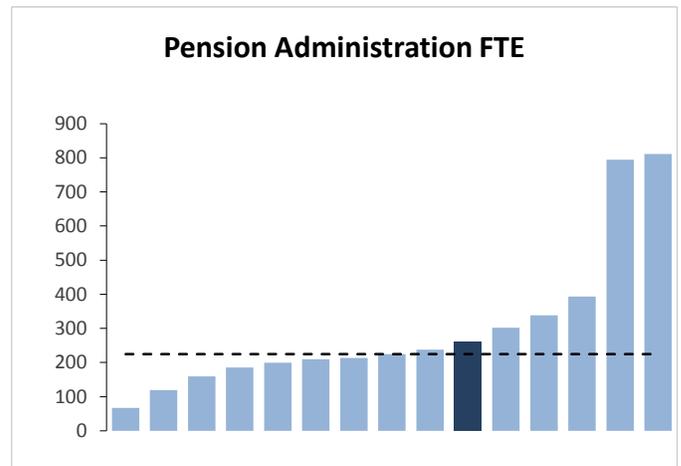
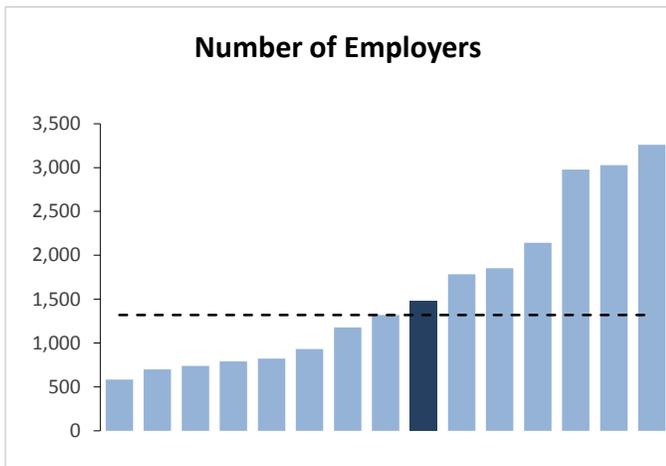
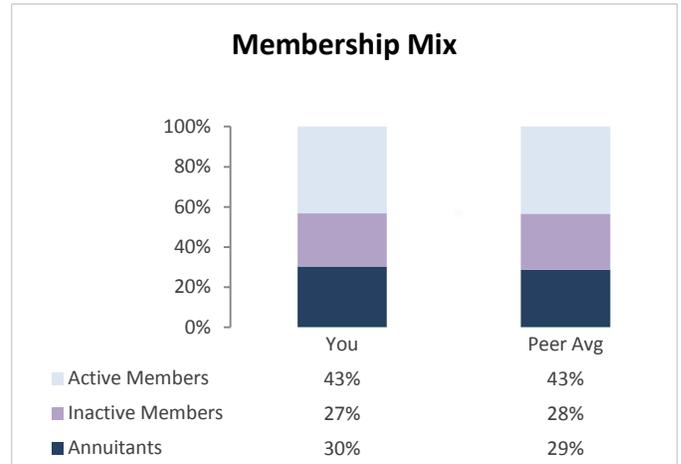
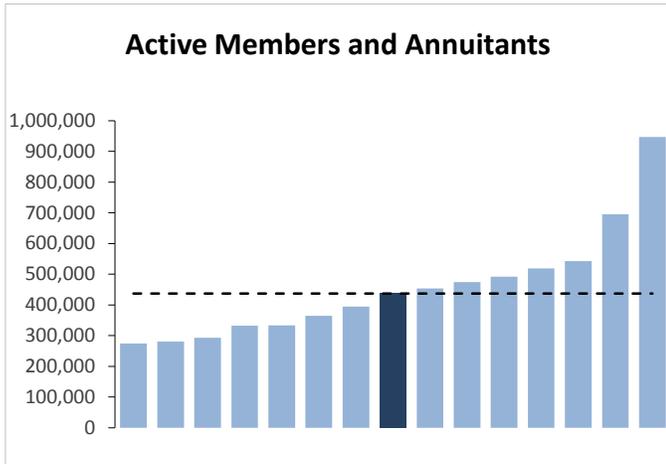
## Your peer group consists of 15 peers.

The most relevant comparisons are to systems similar to you in total membership and nationality. Your peer group consists of the following 15 systems:

<b>Custom Peer Group for Wisconsin DETF</b>			
	Active	Annuityants	Total
NYSLRS	524,427	422,405	946,832
CalSTRS	420,887	274,181	695,068
Ohio PERS	347,406	195,440	542,846
Virginia RS	341,499	177,126	518,625
Michigan ORS	236,264	255,349	491,613
Pennsylvania PSERS	260,436	213,645	474,081
Washington State DRS	296,219	157,641	453,860
Wisconsin DETF	256,788	180,056	436,844
Indiana PRS	257,011	137,991	395,002
STRS Ohio	210,756	153,936	364,692
Arizona SRS	203,201	130,461	333,662
Colorado PERA	229,136	103,089	332,225
Oregon PERS	162,185	131,464	293,649
Illinois MRF	173,869	107,238	281,107
Iowa PERS	165,913	108,233	274,146
Peer Median	256,788	157,641	436,844
Peer Avg	272,400	183,217	455,617

Inactive members are not considered when selecting peers because they are excluded when determining cost per member. They are excluded when determining cost per member because they are much less costly to administer than either active members or annuitants.

# Graphical summary of peer characteristics



## Profiles of the 56 benchmarking participants (excluding Australian and UK systems)

Participant	Members by Type (000s)			Member Groups								Plan Types						Administer Retiree Healthcare		
	Active Members	Annuity	Inactive Members	City or County Only	State/ County Employees	Teachers	School	Police and/or Fire	Participating Local Employers	Other (judges etc)	Corporate	Industry	DB	Cash Balance	DB/ Cash Balance	DB/ Money Match	Drop		DC	Hybrid DB/ DC
<b>Canada</b>																				
APS	201	85	46	X		X	X	X	X				X							
BC Pension Corporation	300	158	67	X	X	X	X	X	X	X	X	X	X	X	X					X
Canada Post	55	30	1	X							X		X						X	
Defence Canada	91	110	0							X			X							
FPSPP	299	267	4	X									X							
Desjardins Group Pension Plan (DGPP)	38	12	7									X	X						X	
HOOPP	182	79	25	X					X			X	X							
LAPP	149	52	29	X		X	X	X					X							
OMERS	270	129	40			X	X	X	X	X			X							
Ontario Pension Board	42	36	5	X			X		X				X							
Ontario Teachers	180	127	70	X	X	X							X							
OPTrust	48	30	6	X									X							
RCMP	22	18	0	X			X						X							X
Saskatchewan HEPP	34	14	3						X		X		X							
<b>Denmark</b>																				
ATP	3,042	915	888	X																
<b>The Netherlands</b>																				
ABP	1,096	793	922										X							
bpfBOUW	157	257	388										X							
Pensioenfonds Metaal en Techniek	384	197	670										X							
Pensioenfonds van de Metalektro	144	165	317										X							
PFZW	1,220	358	955										X							
Rabobank Pensioenfonds	46	14	39										X							
Stichting Pensioenfonds voor de Woningbouw	31	15	20										X							
<b>United Arab Emirates</b>																				
Abu Dhabi RPB*																				

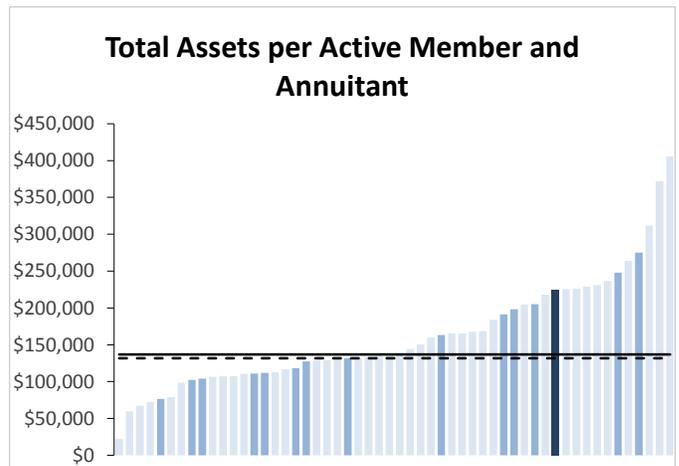
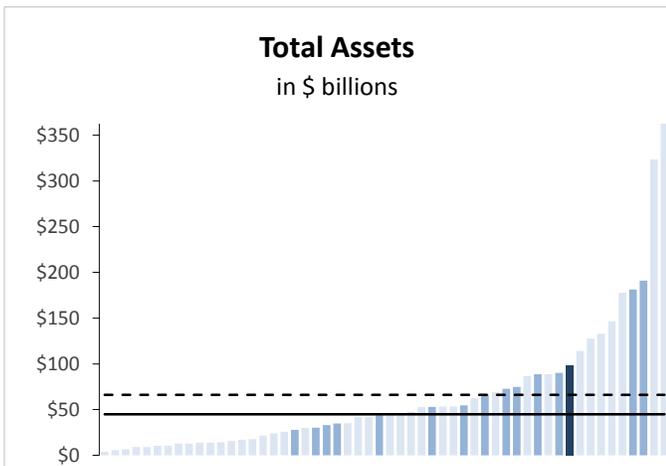
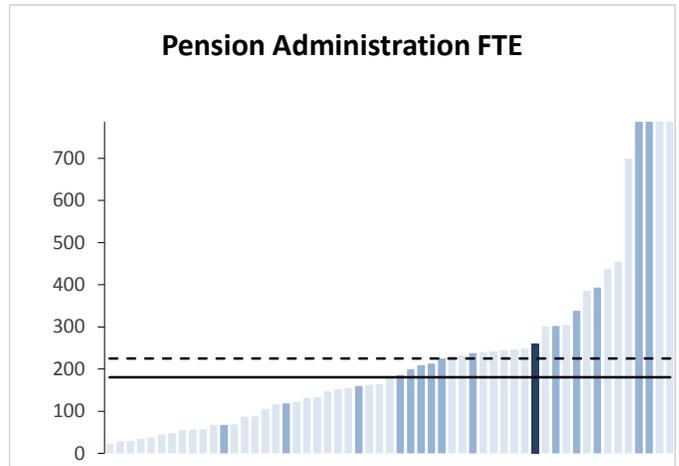
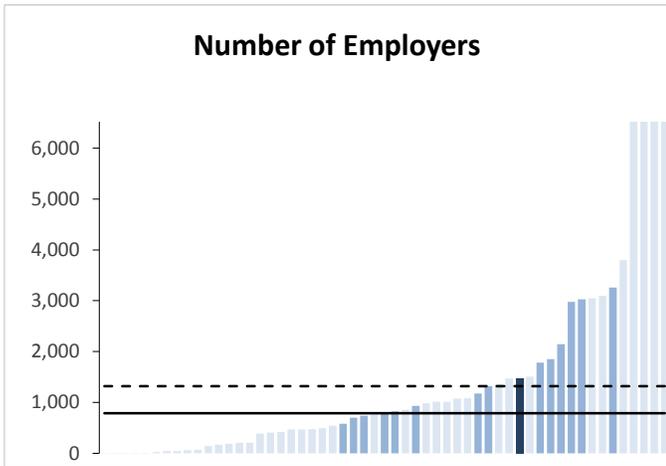
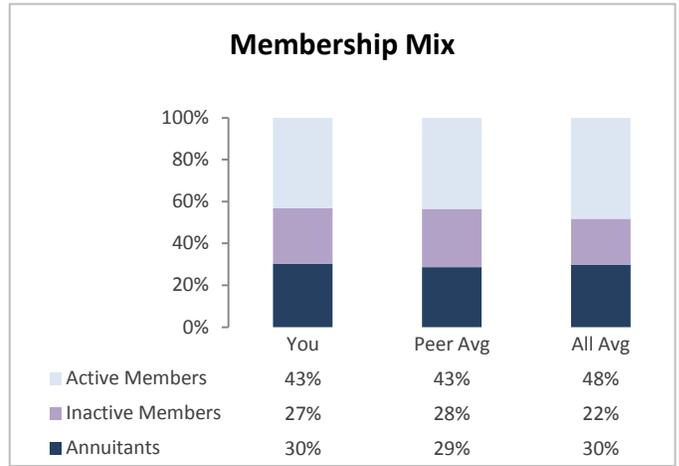
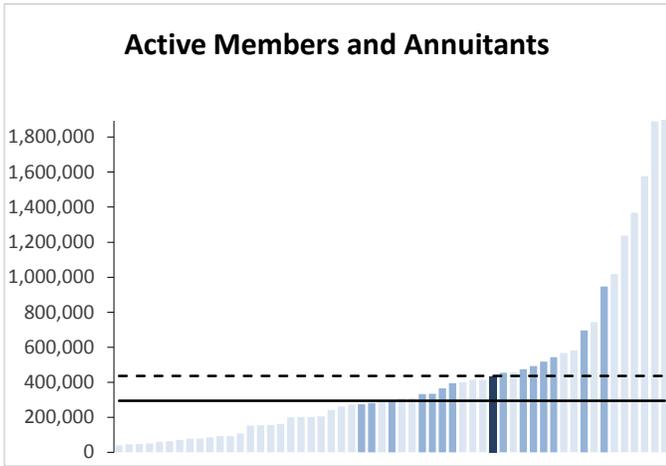
# Fund characteristics

continued

Participant	Members by Type (000s)			Member Groups								Plan Types								
	Active Members	Annuity	Inactive Members	City or County Only	State/ County Employees	Teachers	School	Police and/or Fire	Participating Local Employers	Other (judges etc)	Corporate	Industry	DB	Cash Balance	DB/ Cash Balance	DB/ Money Match	Drop	DC	Hybrid DB/ DC	Administer Retiree Healthcare
<b>United States</b>																				
Arizona SRS	203	130	215	X	X	X		X	X				X						X	X
CalPERS	778	589	353	X		X	X	X					X							X
CalSTRS	421	274	183			X							X	X					X	
Colorado PERA	229	103	200	X	X	X		X	X				X				X	X	X	
Delaware PERS	44	27	14	X	X	X	X	X	X				X							
Florida Retirement System	617	401	114	X	X	X	X	X	X				X			X	X			
Idaho PERS	66	41	28	X	X	X	X	X	X				X						X	
Illinois MRF	174	107	118				X	X	X				X							
Indiana PRS	257	138	58	X	X	X	X	X	X				X				X	X	X	
Iowa PERS	166	108	72	X	X	X	X	X	X				X							
KPERS	155	87	47	X	X	X	X	X	X				X							
LACERA	92	60	12	X				X	X				X							X
Maine PERS	52	41	57	X	X	X	X	X	X				X							
Michigan ORS	236	255	539	X	X	X	X		X				X				X		X	X
MOSERS	51	42	19	X		X	X		X				X							
Nevada PERS	100	55	15	X	X	X	X		X				X							
North Carolina RS	470	272	235	X	X	X	X	X	X				X							
NYC TRS	117	82	41	X		X	X						X						X	
NYSLRS	524	422	119	X		X	X	X	X				X							
Ohio PERS	347	195	482	X				X	X				X	X					X	X
Ohio SERS	132	73	78				X						X							X
Oregon PERS	162	131	64	X	X	X	X	X	X						X				X	X
Pennsylvania PSERS	260	214	135	X	X	X							X							X
South Carolina RS	261	153	177	X	X	X	X	X	X				X				X	X		
South Dakota RS	39	24	16	X	X	X	X	X	X				X							
STRS Ohio	211	154	147			X							X					X	X	X
TRS Illinois	160	112	123	X	X								X							
TRS Louisiana	88	74	22			X	X						X				X	X		
TRS of Texas	873	363	178	X	X	X							X							X
Utah RS	102	53	103	X	X	X	X	X	X				X					X	X	
Virginia RS	341	177	116	X	X	X	X	X	X				X						X	
Washington State DRS	296	158	231	X	X	X	X	X	X				X						X	
Wisconsin DETF	257	180	158	X	X	X	X	X	X										X	X

\* We have not yet received clean data from the 1 system identified with an asterisk. Therefore, this system has been excluded from this analysis.

# Graphical summary of all participant characteristics



# Total Cost

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This section:

- Compares your total cost per member
- Quantifies the impact of economies of scale, transaction volumes, productivity, salary per FTE, and other differences on your relative cost performance.
- Compares your salaries and benefits, and third party costs.

**Your total pension administration cost was \$29.0 million or \$66 per active member and annuitant.**

Activity <sup>1</sup>	Cost <sup>1</sup> \$000s	\$s per Active Member and Annuitant			% of Total Pension Administration Cost		
	You	You	Peer Avg	All Avg	You	Peer Avg	All Avg
<b>1. Member Transactions</b>							
a. Pension Payments	1,336	3.06	3.62	5.00	4.6%	4.0%	4.2%
b. Pension Inceptions	1,061	2.43	4.13	5.97	3.7%	4.6%	5.0%
c. Withdrawals and Transfers-out	431	0.99	1.67	2.76	1.5%	1.9%	2.3%
d. Purchases and Transfers-in	83	0.19	1.54	3.29	0.3%	1.7%	2.8%
e. Disability	<u>859</u>	<u>1.97</u>	<u>2.62</u>	<u>2.24</u>	<u>3.0%</u>	<u>2.9%</u>	<u>1.9%</u>
	3,770	8.63	13.58	19.25	13.0%	15.0%	16.2%
<b>2. Member Communication</b>							
a. Call Center	1,590	3.64	5.60	6.03	5.5%	6.2%	5.1%
b. Mail Room, Imaging	1,302	2.98	2.30	2.72	4.5%	2.5%	2.3%
c. 1-on-1 Counseling	798	1.83	2.34	2.02	2.8%	2.6%	1.7%
d. Presentations and Group Counseling	540	1.24	1.56	1.11	1.9%	1.7%	0.9%
e. Written Pension Estimates	1,364	3.12	1.14	1.58	4.7%	1.3%	1.3%
f. Mass Communication	<u>1,378</u>	<u>3.15</u>	<u>3.34</u>	<u>3.60</u>	<u>4.8%</u>	<u>3.7%</u>	<u>3.0%</u>
	6,971	15.96	16.28	17.06	24.1%	18.0%	14.3%
<b>3. Collections and Data Maintenance</b>							
a. Data and Money from Employers	1,082	2.48	3.84	6.02	3.7%	4.3%	5.1%
b. Service to Employers	416	0.95	1.73	2.09	1.4%	1.9%	1.8%
c. Data Not from Employers	<u>184</u>	<u>0.42</u>	<u>1.24</u>	<u>1.66</u>	<u>0.6%</u>	<u>1.4%</u>	<u>1.4%</u>
	1,682	3.85	6.81	9.78	5.8%	7.5%	8.2%
<b>4. Governance and Financial Control</b>							
a. Financial Administration and Control	717	1.64	2.48	4.66	2.5%	2.7%	3.9%
b. Board, Strategy, Policy	707	1.62	1.92	5.75	2.4%	2.1%	4.8%
c. Government and Public Relations	<u>346</u>	<u>0.79</u>	<u>1.12</u>	<u>2.08</u>	<u>1.2%</u>	<u>1.2%</u>	<u>1.7%</u>
	1,770	4.05	5.52	12.49	6.1%	6.1%	10.5%
<b>5. Major Projects</b>							
a. Amortization of non-IT Major Projects	0	0.00	0.04	0.05	0.0%	0.0%	0.0%
b. Non-IT Major Projects (if you don't capitalize)	1,703	3.90	1.65	1.17	5.9%	1.8%	1.0%
c. Amortization of IT Major Projects	106	0.24	2.28	5.86	0.4%	2.5%	4.9%
d. IT Major Projects (if you don't capitalize)	<u>1,383</u>	<u>3.17</u>	<u>4.86</u>	<u>7.54</u>	<u>4.8%</u>	<u>5.4%</u>	<u>6.3%</u>
	3,192	7.31	8.84	14.62	11.0%	9.8%	12.3%
<b>6. Information Technology</b>							
a. IT Strategy, Database Management and Applications	5,595	12.81	15.13	17.49	19.3%	16.8%	14.7%
b. IT Desktop, Networks, Telecom	<u>1,557</u>	<u>3.56</u>	<u>7.38</u>	<u>6.97</u>	<u>5.4%</u>	<u>8.2%</u>	<u>5.9%</u>
	7,152	16.37	22.51	24.46	24.7%	24.9%	20.5%
<b>7. Support Services and Other</b>							
a. Building and Utilities	1,515	3.47	5.76	7.50	5.2%	6.4%	6.3%
b. Human Resources	723	1.66	1.84	2.62	2.5%	2.0%	2.2%
c. Actuarial	436	1.00	1.53	2.20	1.5%	1.7%	1.8%
d. Legal and Rule Interpretation	967	2.21	3.18	4.23	3.3%	3.5%	3.6%
e. Internal and External Audit	616	1.41	1.37	2.15	2.1%	1.5%	1.8%
f. Pay-as-you-go Benefits for Retired Staff	0	0.00	0.66	0.30	0.0%	0.7%	0.3%
g. Other Support Services	<u>189</u>	<u>0.43</u>	<u>2.38</u>	<u>2.47</u>	<u>0.7%</u>	<u>2.6%</u>	<u>2.1%</u>
	4,447	10.18	16.73	21.48	15.3%	18.5%	18.0%
<b>Total Pension Administration <sup>2</sup></b>	28,984	66.35	90.27	119.14	100.0%	100.0%	100.0%

1. Refer to the appendix C for detailed activity definitions.

2. The fully-attributed costs of activities 1f. Healthcare Administration and 1g. Optional and Third Party Administered Benefits are excluded from pension administration costs to ensure comparability. Refer to the second to last page of this section to see how the above costs reconcile to the administration costs provided on your survey.

## Quartile comparisons of the components of total cost

The table below shows activity costs on a 'per member' basis (e.g. call center cost per member). In section 4, the same costs are compared on a 'per unit of activity volume' basis (e.g. call center cost per call).

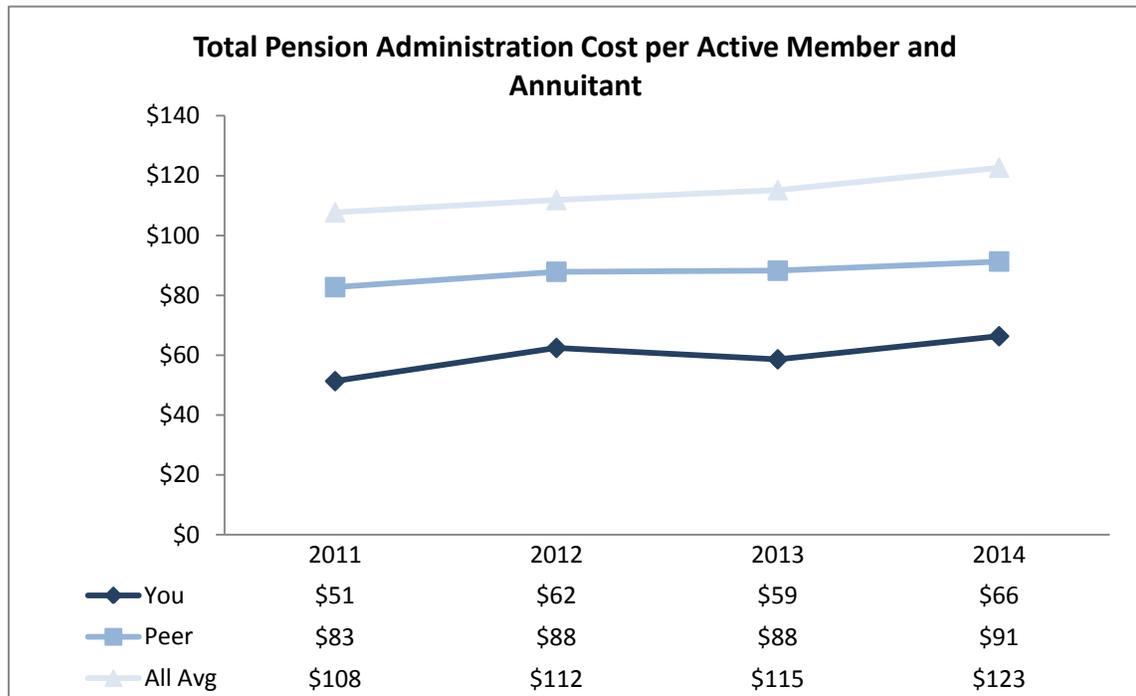
\$ Cost per Active Member and Annuitant														
Activity <sup>1</sup>	You	Peer						All Participants						
		Avg	Max	Q3	Med	Q1	Min	Avg	Max	Q3	Med	Q1	Min	
<b>1. Member Transactions</b>														
a. Pension Payments	3.06	3.62	8.96	4.09	3.08	2.26	0.87	5.00	61.93	4.74	3.06	1.76	0.16	
b. Pension Inceptions	2.43	4.13	9.69	4.99	3.81	2.04	1.28	5.97	28.15	7.70	4.44	2.32	0.17	
c. Withdrawals and Transfers-out	0.99	1.67	4.29	2.36	1.50	0.91	0.04	2.76	13.45	3.97	1.50	0.75	0.00	
d. Purchases and Transfers-in	0.19	1.54	5.74	1.79	1.01	0.67	0.11	3.29	23.06	3.93	1.52	0.63	0.00	
e. Disability	<u>1.97</u>	<u>2.62</u>	7.90	3.46	2.11	0.67	0.35	<u>2.57</u>	46.60	2.26	0.75	0.17	0.00	
	8.63	13.58	26.77	18.79	12.00	8.81	4.93	19.25	105.20	22.21	15.51	8.71	0.42	
<b>2. Member Communication</b>														
a. Call Center	3.64	5.60	12.79	6.38	5.50	4.08	2.14	6.03	34.45	7.09	5.12	3.39	0.00	
b. Mail Room, Imaging	2.98	2.30	5.10	3.10	1.88	1.24	0.83	2.72	20.36	3.51	1.81	1.01	0.00	
c. 1-on-1 Counseling	1.83	2.34	8.12	2.35	1.61	1.07	0.40	2.02	10.98	2.35	1.24	0.31	0.00	
d. Presentations and Group Counseling	1.24	1.56	4.98	1.91	1.24	0.58	0.28	1.11	5.58	1.37	0.62	0.29	0.00	
e. Written Pension Estimates	3.12	1.14	3.12	1.76	1.07	0.42	0.00	1.58	5.11	2.02	1.22	0.49	0.00	
f. Mass Communication	<u>3.15</u>	<u>3.34</u>	7.84	4.08	3.15	1.98	1.56	<u>3.60</u>	12.95	4.67	3.59	1.91	0.00	
	15.96	16.28	32.79	17.82	15.56	11.10	9.16	17.06	60.41	20.06	15.56	10.74	0.83	
<b>3. Collections and Data Maintenance</b>														
a. Data and Money from Employers	2.48	3.84	13.35	3.59	2.48	1.81	0.64	6.02	28.23	6.99	3.80	2.08	0.18	
b. Service to Employers	0.95	1.73	4.60	1.67	1.35	0.98	0.91	2.09	9.19	2.84	1.60	0.98	0.00	
c. Data Not from Employers	<u>0.42</u>	<u>1.24</u>	4.35	1.50	1.01	0.51	0.06	<u>1.66</u>	17.76	1.92	0.92	0.43	0.00	
	3.85	6.81	18.84	7.04	4.87	4.03	1.62	9.78	44.74	11.41	7.12	4.15	0.45	
<b>4. Governance and Financial Control</b>														
a. Financial Administration and Control	1.64	2.48	4.09	3.41	2.58	1.72	0.63	4.66	28.54	4.57	3.52	1.93	0.20	
b. Board, Strategy, Policy	1.62	1.92	4.38	2.51	1.66	1.06	0.15	5.75	38.47	7.39	3.71	1.63	0.15	
c. Government and Public Relations	<u>0.79</u>	<u>1.12</u>	3.87	1.52	0.73	0.35	0.13	<u>2.08</u>	20.61	2.59	1.10	0.35	0.00	
	4.05	5.52	12.34	6.52	5.38	4.25	1.41	12.49	60.86	15.47	8.90	4.70	0.56	
<b>5. Major Projects</b>														
a. Amortization of non-IT Major Projects	0.00	0.04	0.58	0.00	0.00	0.00	0.00	0.05	1.88	0.00	0.00	0.00	0.00	
b. Non-IT Major Projects (if you don't capitalize)	3.90	1.65	7.66	2.32	0.00	0.00	0.00	1.17	14.41	0.68	0.00	0.00	0.00	
c. Amortization of IT Major Projects	0.24	2.28	7.72	4.50	0.24	0.00	0.00	5.86	260.01	1.13	0.00	0.00	0.00	
d. IT Major Projects (if you don't capitalize)	<u>3.17</u>	<u>4.86</u>	22.42	7.66	1.40	0.14	0.00	<u>7.54</u>	133.18	7.56	1.04	0.00	0.00	
	7.31	8.84	30.14	12.25	7.31	1.64	0.00	14.62	260.01	10.02	4.80	0.14	0.00	
<b>6. Information Technology</b>														
a. IT Strategy, Database, Applications (excl. major projects)	12.81	15.13	32.54	22.25	13.03	8.76	5.37	17.49	55.07	22.51	13.38	7.47	0.00	
b. IT Desktop, Networks, Telecom	<u>3.56</u>	<u>7.38</u>	15.15	9.72	6.64	5.02	1.94	<u>6.97</u>	34.91	8.48	5.46	3.20	0.00	
	16.37	22.51	47.70	30.46	18.99	14.92	10.69	24.46	67.97	30.59	19.91	11.89	0.00	
<b>7. Support Services and Other</b>														
a. Building and Utilities	3.47	5.76	19.87	5.43	4.15	3.26	2.03	7.50	35.79	10.09	5.24	2.84	0.42	
b. Human Resources	1.66	1.84	6.79	2.43	1.43	0.82	0.36	2.62	14.53	3.20	1.66	0.61	0.00	
c. Actuarial	1.00	1.53	3.48	1.83	1.48	0.90	0.71	2.20	13.50	2.78	1.51	0.77	0.00	
d. Legal and Rule Interpretation	2.21	3.18	8.89	5.04	2.19	1.63	0.55	4.23	18.89	5.37	3.33	1.76	0.08	
e. Internal and External Audit	1.41	1.37	2.70	1.58	1.17	0.91	0.40	2.15	23.60	2.33	1.51	0.85	0.00	
f. Pay-as-you-go Benefits for Retired Staff	0.00	0.66	7.05	0.21	0.00	0.00	0.00	0.30	7.05	0.00	0.00	0.00	0.00	
g. Other Support Services	<u>0.43</u>	<u>2.38</u>	6.87	3.80	1.70	0.88	0.00	<u>2.47</u>	20.14	3.51	1.27	0.10	0.00	
	10.18	16.73	47.80	21.58	13.94	9.59	5.67	21.48	70.75	26.16	16.05	10.03	1.31	
<b>Total Pension Administration<sup>2</sup></b>	66.35	90.27	202.95	101.65	83.42	64.17	54.23	119.14	433.71	128.95	101.55	66.59	10.44	

1. Refer to the appendix C for detailed activity definitions.

2. Only averages will add to totals. The Max/ Q3/ Med/ Q1/ Min activity costs will not add to their respective totals and subtotals because, for example, the system with the median cost (i.e., the middle value) will not be the same for all activities and totals.

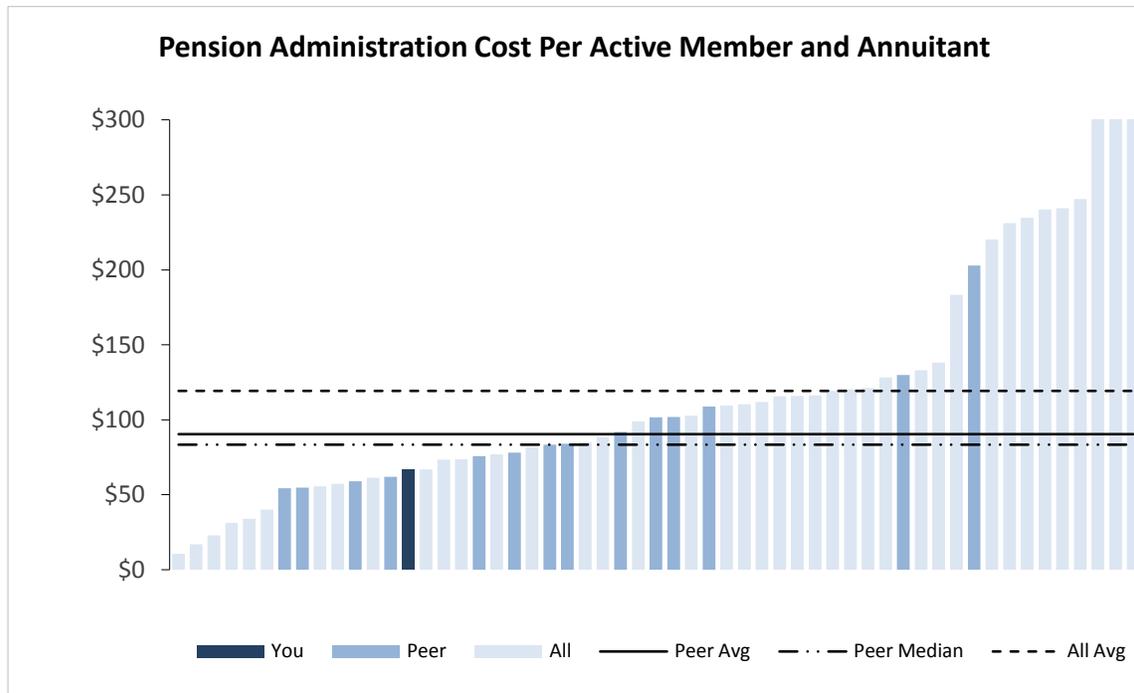
## Cost trends

Your total pension administration costs have grown at a compound annual rate of 8.9% between 2011 and 2014. This was above the 3.3% average for your peers that have participated for 4 consecutive years.



1. Trend analysis is based on systems that have participated for 4-consecutive years (14 peers and 40 World systems). This ensures that trends are not caused by changes in the composition of the participants.
2. All foreign currency amounts have been converted to USDs using Purchasing Power Parity figures as per the OECD (see Appendix B). The same exchange rate was used for both the current and prior years. The benefit of using the same exchange rate for prior years is that changes in costs reflect fluctuations in your peers' costs and not fluctuations in foreign exchange.

**Your total pension administration cost was \$66 per active member and annuitant. This was \$24 below the peer average of \$90 (and \$17 below the peer median of \$83).**

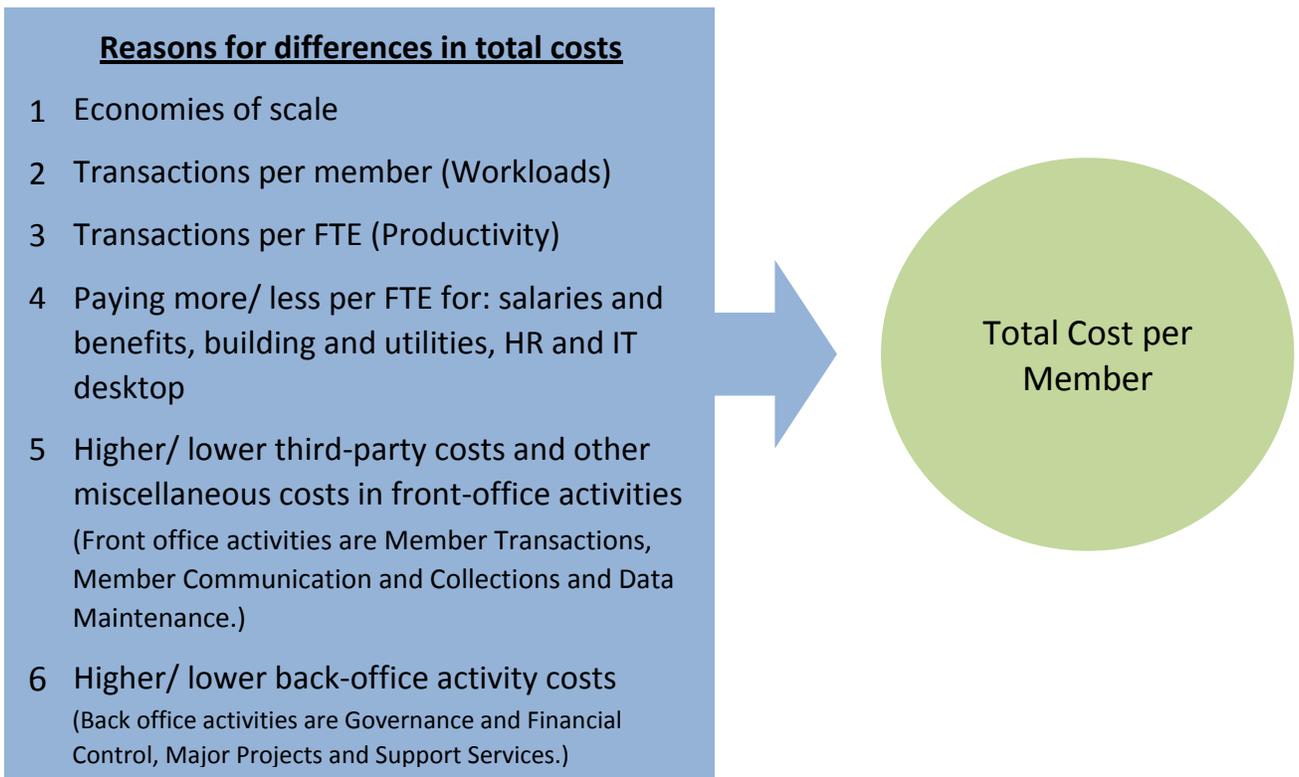


Pension administration cost excludes the fully-attributed costs of activities 1f. Healthcare Administration, and 1g. Optional and Third Party Administered Benefits.

## CEM uses the following cost model to explain differences in total costs:

### Reasons for differences in total costs

- 1 Economies of scale
- 2 Transactions per member (Workloads)
- 3 Transactions per FTE (Productivity)
- 4 Paying more/ less per FTE for: salaries and benefits, building and utilities, HR and IT desktop
- 5 Higher/ lower third-party costs and other miscellaneous costs in front-office activities (Front office activities are Member Transactions, Member Communication and Collections and Data Maintenance.)
- 6 Higher/ lower back-office activity costs (Back office activities are Governance and Financial Control, Major Projects and Support Services.)



Total Cost per Member

In this section, CEM quantifies the amount by which differences in each of the six reasons identified above cause your total pension administration cost to differ from the peer average.

### Average versus Median

In the other sections of this report, CEM compares your performance to the median (i.e., the middle value or 50th percentile). This is because medians are less sensitive to outlier data than averages. An example of an outlier is a single peer with unusually high costs. In this section, we compare and reconcile your total costs to the peer average because:

- There are interactions between the reasons for differences in total cost that would be lost if we used medians.
- It is necessary if we want the reasons to add to 100%. The sum of median parts does not add up to the median total.

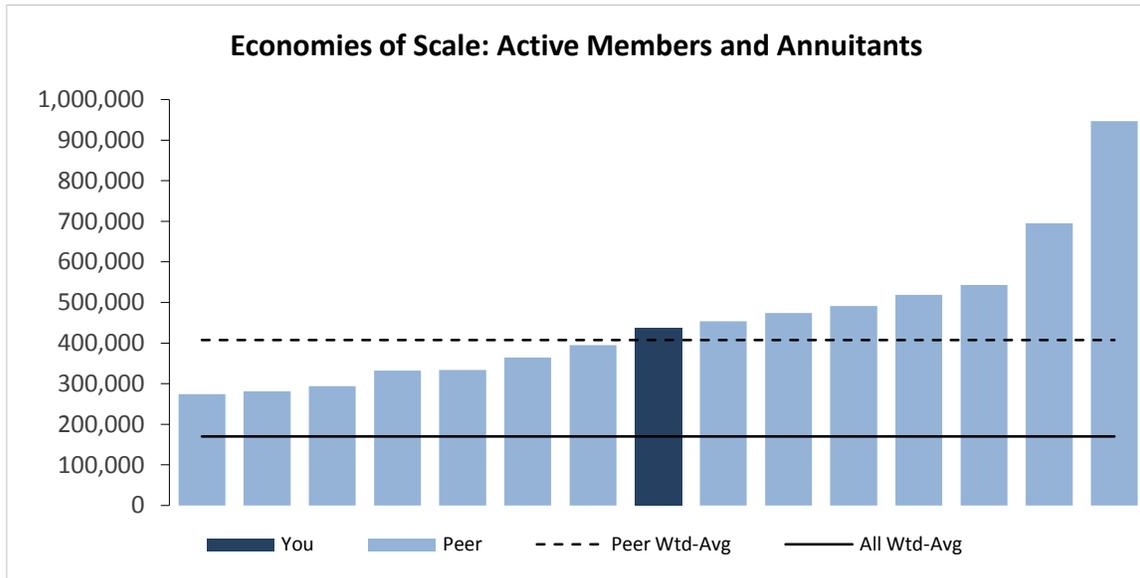
## Reasons why your total cost was \$24 below the peer average.

Reason	Impact \$s per active member and annuitant
1. Economies of scale advantage	-\$0.70
2. Fewer transactions per member (workloads)	-\$1.50
3. Fewer transactions per FTE	\$0.40
4. Lower costs per FTE for: salaries and benefits, building and utilities, HR and IT desktop	-\$16.60
5. Lower 'other miscellaneous' costs in front-office activities	-\$3.96
6. Paying more/-less, after adjusting for economy of scale and salary differences, for:	
- Governance and Financial Control	\$0.10
- Major Projects	-\$0.27
- IT Strategy, Database, Applications (excl. major projects)	\$0.72
- Actuarial, Legal, Audit, Other Support Services	-\$2.11
Total	-\$23.92

Each of these reasons are examined in detail in the remainder of this section.

## Reason 1: You had an economies of scale advantage.

Your system had 7% more members than the peer weighted-average. Your larger size means that you had a cost advantage relative to the average peer of \$0.70 per member.



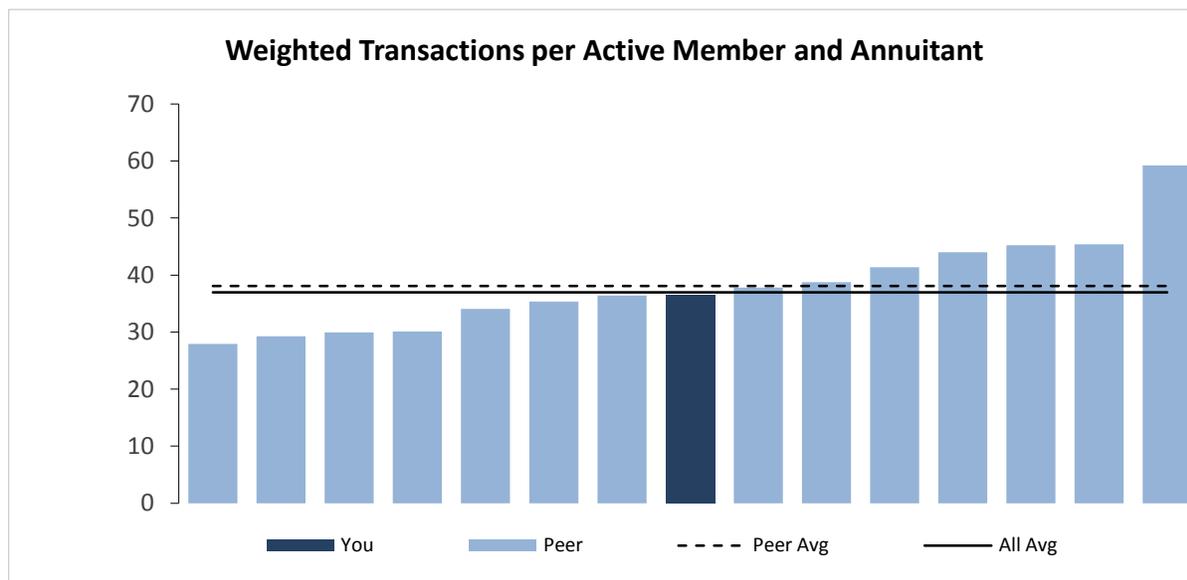
The peer and the all averages are weighted with a higher weight to smaller systems because the relationship between size and cost is not linear.

Size is a key driver of costs. More members lets you spread your fixed costs over a larger base. But the benefit of economies of scale is not linear. Scale economies diminish as systems get larger. For example, if your membership was reduced by 50% then your predicted cost would increase by \$9.75 per member, whereas if your membership increased by 50% your predicted cost would only decrease by \$3.25 per member.

How Changes in Membership Impact Your Cost			
% Change in Members	Implied # of Members	Your Predicted	
		Cost per Member	Increase/-Decrease
-75%	109,211	\$95.59	\$29.24
-50%	218,422	\$76.10	\$9.75
-25%	327,633	\$69.60	\$3.25
0%	436,844	\$66.35	\$0.00
25%	546,055	\$64.40	-\$1.95
50%	655,266	\$63.10	-\$3.25
75%	764,477	\$62.17	-\$4.18

## Reason 2: You had lower transaction volumes per member (workloads).

Weighted transactions indicates whether you are doing more or less front-office transactions per member in aggregate than your peers. Your weighted transactions were 4% below the peer average. Your lower transaction volumes decreased your total cost per member by an estimated \$1.50 relative to the peer average.



Where did you do more/less front office transactions?				
Front Office Transactions (or Proxy)	Volume per 1,000 Active Members and Annuitants			Transaction Impact
	You	Peer Avg	More/ - Less	
Pension Payments (Annuitants)	412	398	4%	\$0.11
New Payee Inceptions	23	26	-12%	-\$0.54
Withdrawals and Transfers-out	9	26	-66%	-\$1.43
Purchases and Transfers-in	2	9	-80%	-\$1.50
Disability Applications	5	3	117%	\$3.94
Calls and Emails	465	674	-31%	-\$1.53
Incoming Mail	388	446	-13%	-\$0.27
Members Counseled 1-on-1	13	24	-44%	-\$0.56
Member Presentations	1	1	-39%	-\$0.62
Written Estimates	52	32	61%	\$1.07
Mass Communication (Active Members and Annuitants)	1,000	1,000	0%	\$0.00
Data and Money from Employers (Active Members)	588	602	-2%	-\$0.08
Service to Employers (Active Members)	588	602	-2%	-\$0.04
Data Not from Employers (Actives, Inactives, Annuitants)	1,361	1,430	-5%	-\$0.04

Differences in front-office transaction volumes are due to differences in activities that you administer (some do not administer disability for example), service levels and, member mix and demographics. Refer to section '6 - Transaction Volumes' for detailed analysis and comparison of your transaction volumes.

## Membership Mix

An important source of differences in transaction volumes is membership mix. For example, active members typically produce more transactions than annuitants, so systems with a higher proportion of active members relative to annuitants tend to have higher transaction volumes, and therefore be more expensive to administer on a per member basis.

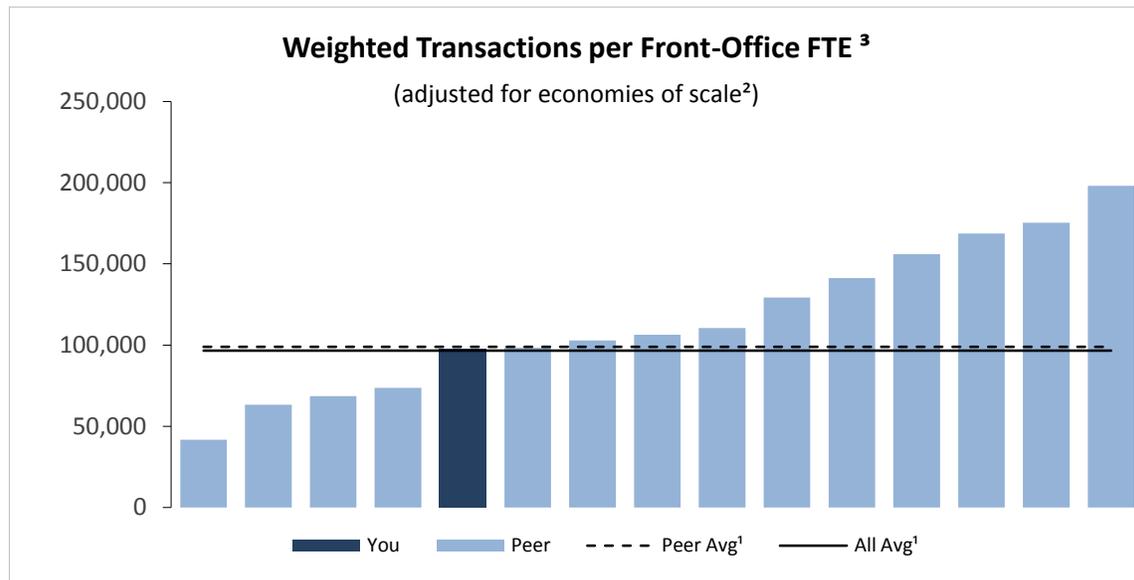
Your membership mix was more expensive than the peer average. If you had the same membership mix as the peer average, your costs would have been \$0.98 per member lower.

Components of Transaction Volume Impact <sup>1</sup>	\$ per active member and annuitant
More expensive membership mix	\$0.98
Less transactions per member after neutralizing for membership mix	-\$2.48
Total transaction volume impact	-\$1.50

<sup>1</sup> The impact of your membership mix is neutralized by calculating what your transaction volumes would be if you had the peer average membership mix of 43% actives, 28% inactive and 29% annuitants (versus your actual mix of 43% actives, 27% inactive and 30% annuitants).

### Reason 3: You had lower transactions per FTE (productivity).

Your weighted transactions per front-office FTE<sup>3</sup> were 1% below the adjusted<sup>1</sup> peer average. Your lower transaction volumes per FTE increased your total cost per member by \$0.40 relative to the peer average.



1. The averages are weighted by workloads (i.e., weighted transactions per member) because differences in productivity matter more for peers with higher workloads when explaining cost differences.
2. To avoid double counting, weighted transactions per FTE were adjusted for differences in economies of scale.
3. Front office FTE work in activities that come in contact with clients or employers, such as paying pensions, member calls and presentations. It excludes back-office activities such as Governance and Financial Control, Major Projects and Support Services. Refer to 'Section 5 - Staff Costs and Productivity' for detailed analysis and comparison of your volumes per FTE for each front-office activity.

Differences in transactions per FTE are due to differences in:

- Economies of scale (adjusted for in the above comparison)
- Staff skills and productivity
- IT capability / on-line transactions
- Service levels. For example, shorter wait times may require more staff.
- Complexity of plan rules
- Using more consultants or third parties to do part of the front-office work.
- Projects
- Organization design

**Reason 4: You had lower salaries and benefits, building and utilities, HR and IT desktop costs per FTE.**

Costs that vary per FTE	Cost per FTE		FTE-Weighted
	You	Peer Avg	Peer Avg
Salaries and Benefits			
Front Office	\$66,756	\$74,323	\$74,731
Back Office	<u>\$70,234</u>	<u>\$107,036</u>	<u>\$106,653</u>
Blended Average	\$67,909	\$85,179	\$85,134
Pay-as-you-go Benefits for Retired Staff	\$0	\$822	\$1,155
Building and Utilities	\$6,207	\$9,605	\$10,024
Human Resources	\$2,964	\$2,970	\$3,208
IT Desktop, Networks, Telecom	\$6,379	\$13,118	\$12,834
<b>Total</b>	<b>\$83,459</b>	<b>\$111,694</b>	<b>\$112,354</b>

Your cost per FTE for salaries and benefits, building and utilities, human resources and IT desktop of \$83,459 was 26% below the FTE-weighted peer average of \$112,354. Your lower costs per FTE decreased your total cost per member by \$16.60 relative to the peer average.

The cost model uses the FTE-weighted average because 'Cost per FTE' differences matter more for peers with more FTEs. The FTE-weighted average can be substantially different from the simple average.

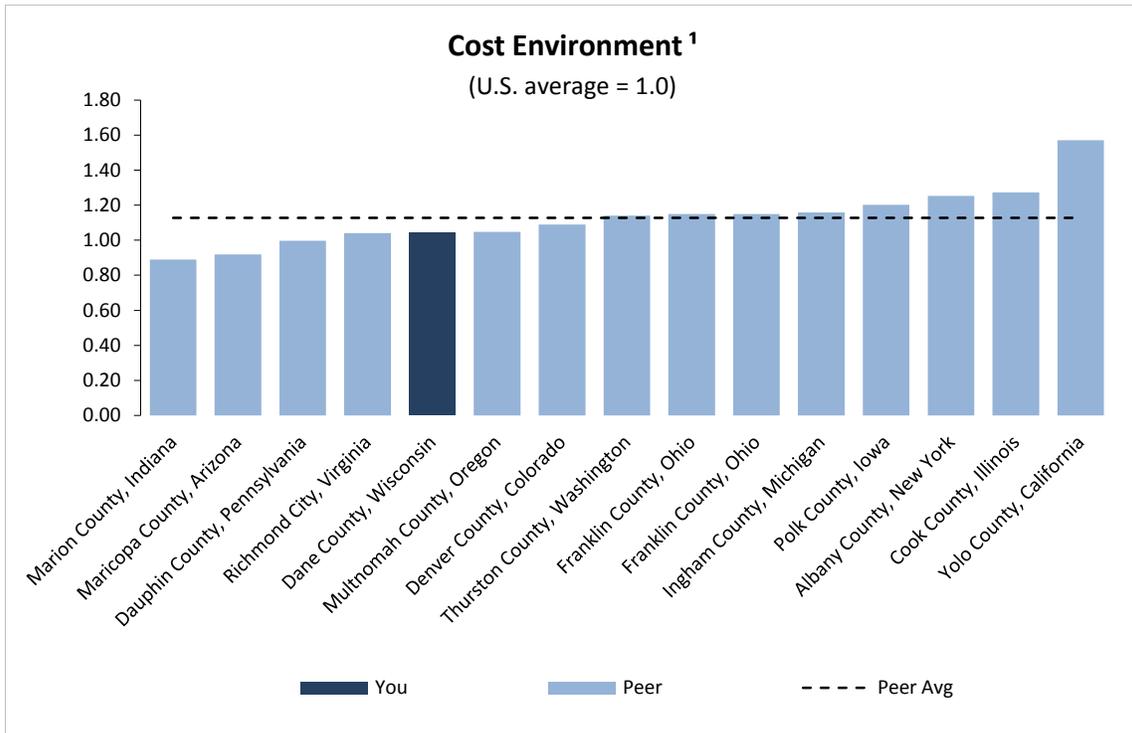
Averages can also mask the often large differences in front office and back office salaries. Therefore, both front and back-office averages for salaries and benefits are shown in the table above. Refer to section '5 - Staff Costs and Productivity' for much more detailed comparisons of your staffing levels and cost per FTE.

Differences in what you pay per FTE reflect differences in:

- Cost environment. Labor costs in your area were 9% below the peer average.
- Square footage of office space per FTE.
- Organization structure, strategy and history.
- Using consultants for functions associated with high salaries. This will reduce your salary cost per FTE, but increase your third party cost. The impact of differences in third party costs is quantified separately on page 3-14 in this section.

## Cost environment

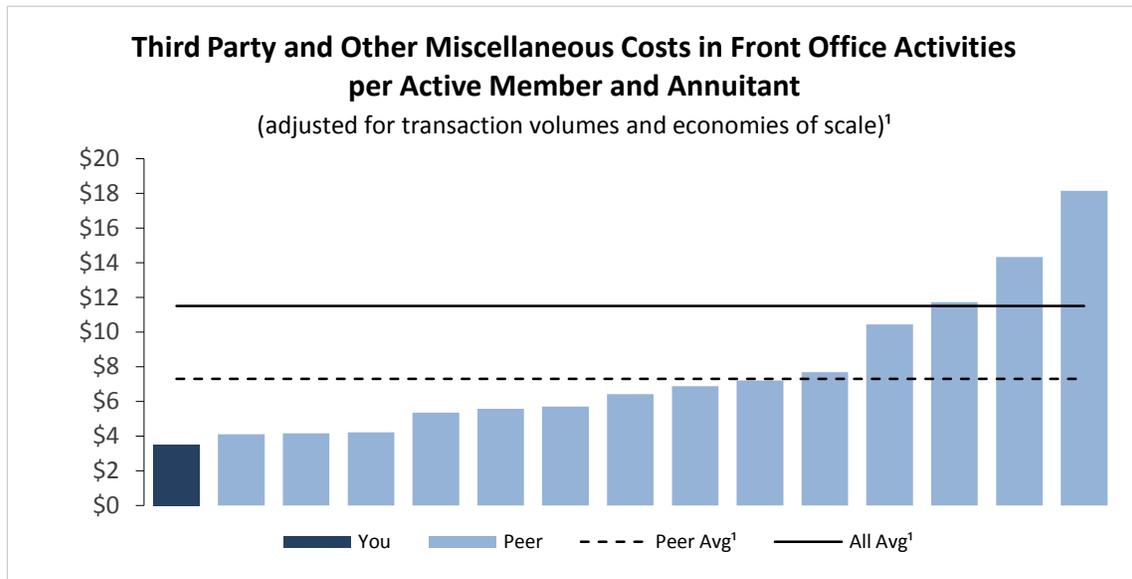
Often a key reason for differences in 'cost per FTE' is cost environment. Labor costs in your area were 9% below the peer average.



1. The cost environment is based on Bureau of Labor Statistics data for state government public administration wages within a given geographical area. It is normalized at 1 to be the national average. Source: Bureau of Labor Statistics (<http://www.bls.gov/>)

## Reason 5: You had lower third party and other miscellaneous costs in the front-office activities.

Your third party and other miscellaneous costs (such as travel, office supplies, etc) in the front-office activities<sup>2</sup> were \$3.50 per member which was 52% below the adjusted<sup>1</sup> peer weighted average of \$7.29. Your lower third party costs decreased your total cost per member by \$3.96 relative to the peer average.



1. The peer costs are adjusted for differences in transaction volumes and economies of scale in order to avoid double counting. The average shown is weighted by transaction volumes per member.
2. Front office activities are activities that come in contact with clients or employers, such as paying pensions, member calls and presentations. It excludes back-office activities such as Governance and Financial Control, Major Projects and Support Services.

Differences in third party and other miscellaneous costs in the front-office activities reflect differences in:

- Use of consultants
- Departmental travel and education

## Reason 6: You paid less for back-office activities.

Your adjusted<sup>1</sup> cost per active member and annuitant of \$32.10 for back-office activities was below the peer average of \$33.66. Paying less for back-office activities decreased your total cost per member by \$1.56 relative to the peer average.

Back-office activities	Cost per Active Member and Annuitant		Adjusted <sup>1</sup> Cost per Active Member and Annuitant	
	You	Peer Avg	You	Peer Avg
Governance and Financial Control	\$4.05	\$5.52	\$4.67	\$4.57
Major Projects	\$7.31	\$8.84	\$8.04	\$8.31
IT Strategy, Database, Applications (excl. major projects)	\$12.81	\$15.13	\$13.84	\$13.12
Actuarial, Legal, Audit, Other Support Services	\$5.05	\$8.46	\$5.55	\$7.66
Support Services that Vary per FTE	\$2.88	\$5.11		
<b>Total</b>	<b>\$32.10</b>	<b>\$43.06</b>	<b>\$32.10</b>	<b>\$33.66</b>

1. To avoid double counting, back office costs are adjusted for economies of scale and, cost per FTE for salaries and benefits, building and utilities, IT desktop and, human resources.

Differences in the adjusted cost per member for non-administration activities reflects differences in:

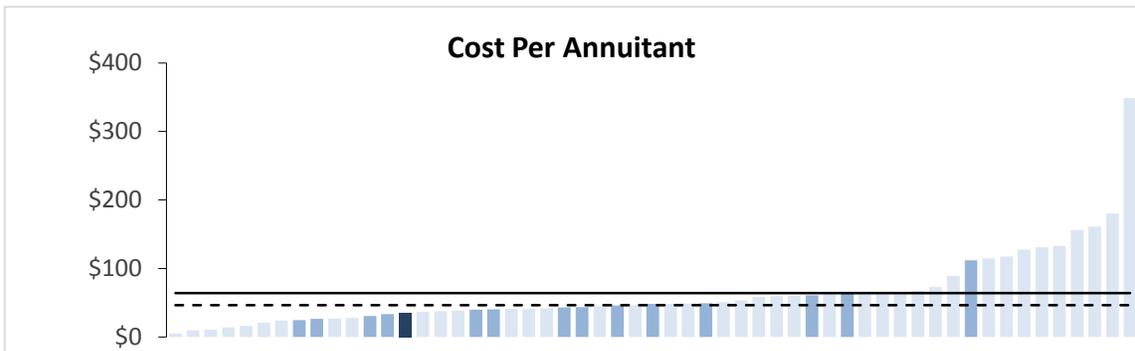
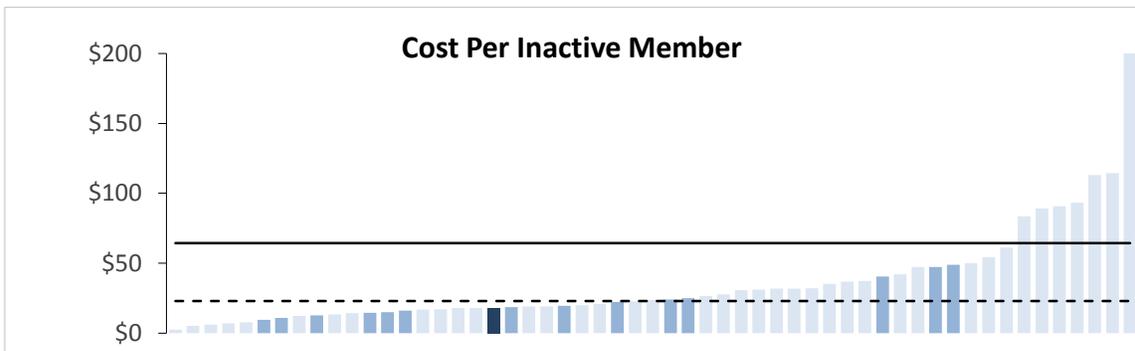
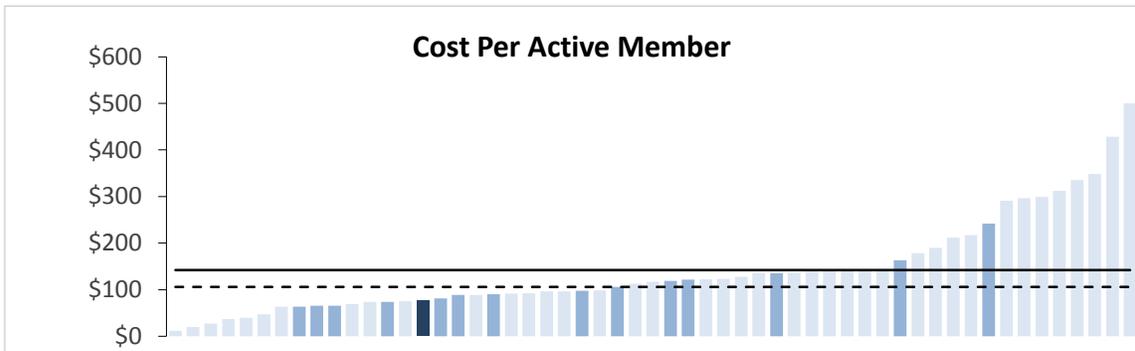
- How much you do. For example, some systems invest more in disaster recovery.
- IT capability
- IT investment cycle
- Plan complexity

Refer to section '4 - Activity Costs' for detailed analysis and comparison of the sub-activities within each of the non-administration activities to gain insight into where you are doing and paying more and/or less.

## Cost per member type

An alternative way of analyzing cost performance is by member type. Comparisons of your pension administration cost per active, inactive and annuitant member to your peers and all participants are shown below. The methodology for determining these costs is shown on the following two pages.

Pension Administration Cost per Member by Type									
Member Type	You	Peer				All			
		Average	Max	Median	Min	Average	Max	Median	Min
Active Member	\$77	\$106	\$242	\$90	\$64	\$142	\$500	\$117	\$11
Inactive Member	\$18	\$23	\$49	\$19	\$9	\$64	\$1,777	\$24	\$2
Annuitant	\$36	\$47	\$112	\$43	\$25	\$64	\$349	\$48	\$5



## Calculation of your cost per member type

The table below shows how your activity costs were attributed to each member type. The attribution methodology is described on the following page.

Calculation of Your Cost by Member Type							
Activity	Your Costs in \$000s <sup>1</sup>	<u>\$000s attributed to:</u>			<u>% attributed to:</u>		
		Active	Inactive	Annuitant	Active	Inactive	Annuitant
<b>1. Member Transactions</b>							
a. Pension Payments	1,336	0	0	1,336	0.0%	0.0%	100.0%
b. Pension Inceptions	1,061	551	209	302	51.9%	19.7%	28.4%
c. Withdrawals and Transfers-out	431	230	201	0	53.3%	46.7%	0.0%
d. Purchases and Transfers-in	83	83	0	0	100.0%	0.0%	0.0%
e. Disability	859	859	0	0	100.0%	0.0%	0.0%
<b>2. Member Communication</b>							
a. Call Center	1,590	902	55	632	56.7%	3.5%	39.8%
b. Mail Room, Imaging	1,302	739	45	518	56.7%	3.5%	39.8%
c. 1-on-1 Counseling	798	757	41	0	94.8%	5.1%	0.1%
d. Presentations and Group Counseling	540	512	28	0	94.8%	5.1%	0.1%
e. Written Pension Estimates	1,364	1,073	290	0	78.7%	21.3%	0.0%
f. Mass Communication	1,378	1,155	142	81	83.8%	10.3%	5.9%
<b>3. Collections and Data Maintenance</b>							
a. Data and Money from Employers	1,082	1,082	0	0	100.0%	0.0%	0.0%
b. Service to Employers	416	416	0	0	100.0%	0.0%	0.0%
c. Data Not from Employers	184	85	46	52	46.5%	25.0%	28.5%
<b>4. Governance and Financial Control</b>							
a. Financial Administration and Control	717	494	72	151	68.8%	10.1%	21.1%
b. Board, Strategy, Policy	707	486	71	149	68.8%	10.1%	21.1%
c. Government and Public Relations	346	238	35	73	68.8%	10.1%	21.1%
<b>5. Major Projects</b>							
a. Amortization of non-IT Major Projects	0	0	0	0	68.8%	10.1%	21.1%
b. Non-IT Major Projects (if you don't capitalize)	1,703	1,172	171	359	68.8%	10.1%	21.1%
c. Amortization of IT Major Projects	106	73	11	22	68.8%	10.1%	21.1%
d. IT Major Projects (if you don't capitalize)	1,383	952	139	292	68.8%	10.1%	21.1%
<b>6. Information Technology</b>							
a. IT Strategy, Database, Applications (excl. major projects)	5,595	3,851	563	1,181	68.8%	10.1%	21.1%
b. IT Desktop, Networks, Telecom	1,557	1,072	157	329	68.8%	10.1%	21.1%
<b>7. Support Services and Other</b>							
a. Building and Utilities	1,515	1,043	152	320	68.8%	10.1%	21.1%
b. Human Resources	723	498	73	153	68.8%	10.1%	21.1%
c. Actuarial	436	300	44	92	68.8%	10.1%	21.1%
d. Legal and Rule Interpretation	967	666	97	204	68.8%	10.1%	21.1%
e. Internal and External Audit	616	424	62	130	68.8%	10.1%	21.1%
f. Pay-as-you-go Benefits for Retired Staff	0	0	0	0	68.8%	10.1%	21.1%
g. Other Support Services	189	130	19	40	68.8%	10.1%	21.1%
<b>Total Pension Administration Cost (A)</b>	28,984	19,842	2,724	6,418	68.5%	9.4%	22.1%
# of members by type (B)		256,788	157,761	180,056			
<b>Cost per Member Type (A ÷ B)</b>		\$77	\$17	\$36			

1. The fully-attributed costs of activities 1f. Healthcare Administration and 1g. Optional and Third Party Administered Benefits are excluded from pension administration costs to ensure comparability. Refer to the second to last page of this section to see how the above costs reconcile to the administration costs provided on your survey.

## Methodology for attributing activity costs to each member type

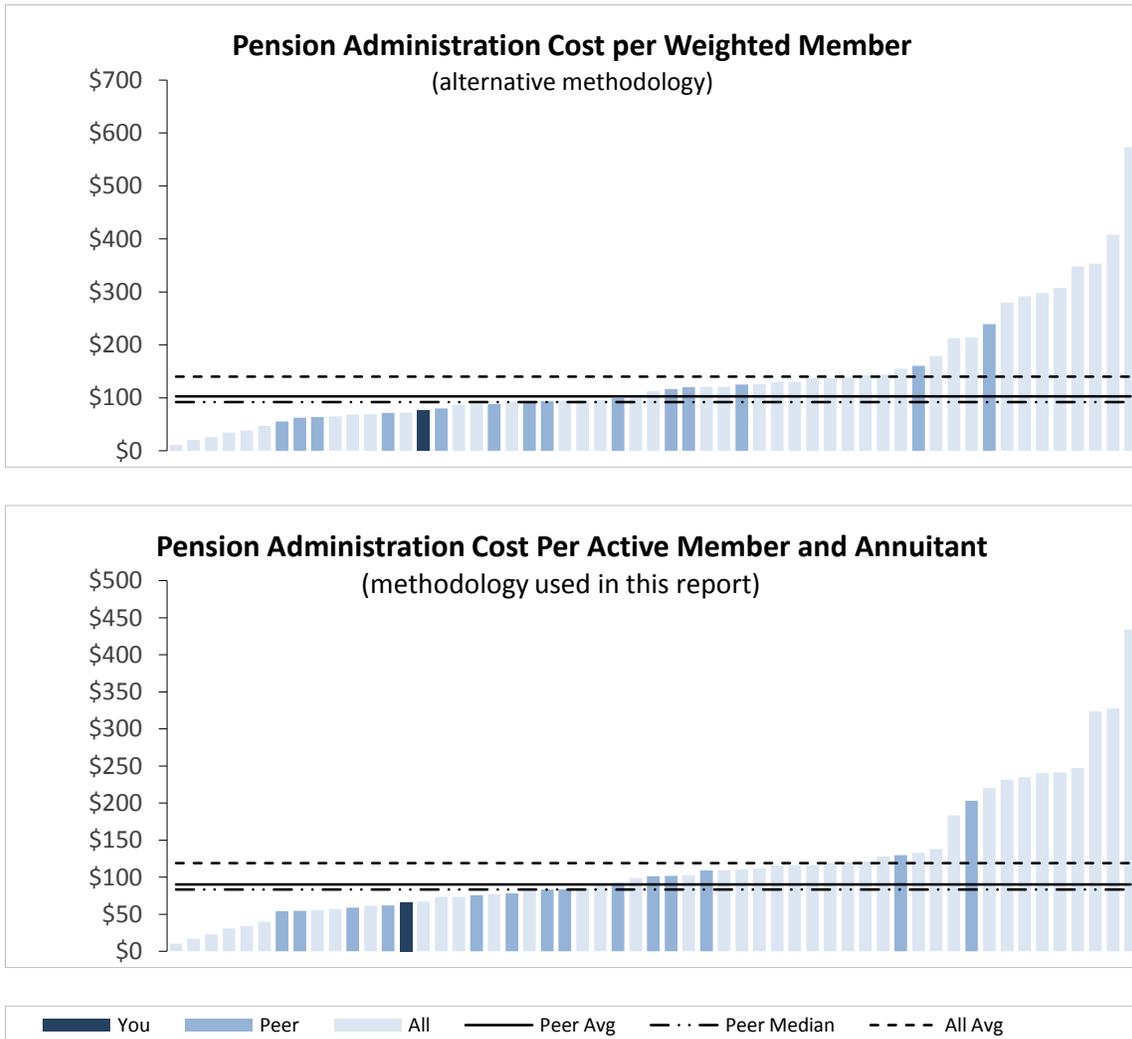
Activity	Attribution Method
1a. Pension Payments	100% annuitants
1b. Pension Inceptions	Pro rata based on weighted inceptions: <ul style="list-style-type: none"> <li>• service retirements of active members weighted 100%</li> <li>• new inceptions annuitants weighted 50% + changes in gross caused by annuitants circumstances weighted 25%</li> <li>• retirements of inactive members weighted 70%</li> </ul>
1c. Withdrawals and Transfers-out	Pro rata based on: <ul style="list-style-type: none"> <li>• active members weighted 70%</li> <li>• inactive members weighted 100%</li> </ul>
1d. Purchases and Transfers-in	100% active members
1e. Disability	100% active members
2a. Call Center	Pro rata based on weighted membership: <ul style="list-style-type: none"> <li>• active members weighted 100%</li> <li>• annuitants weighted 100%</li> <li>• inactive members weighted 10%</li> </ul>
2b. Mail Room, Imaging	per 2a above
2c. 1-on-1 Counseling	Pro rata between actives, inactives and annuitants based on: <ul style="list-style-type: none"> <li>• service retirements of active members weighted 100%</li> <li>• retirements of inactive members weighted 10%</li> <li>• survivor inceptions of annuitants weighted 5%</li> </ul>
2d. Presentations and Group Counseling	per 2c above
2e. Written Pension Estimates	Pro rata between active and inactive members based on: <ul style="list-style-type: none"> <li>• service retirements of active members weighted 100%</li> <li>• retirements of inactive members weighted 50%</li> </ul>
2f. Mass Communication	Pro rata based on weighted membership: <ul style="list-style-type: none"> <li>• active members weighted 100%</li> <li>• annuitants weighted up to 30% (10% for website, etc + 10% if you send them newsletters + 10% if you send them annual report/summary)</li> <li>• inactive members weighted up to 30% (10% for website, etc + 10% if you send them member statements annually + 10% if you send them newsletters)</li> </ul>
3a. Data and Money from Employers	100% active members
3b. Service to Employers	100% active members
3c. Data Not from Employers	Pro rata based on weighted membership: <ul style="list-style-type: none"> <li>• active members weighted up to 100% (33% because of divorce + 33% if you maintain their addresses + 33% if you collect contributions directly from members)</li> <li>• annuitants weighted up to 58% (25% because of divorce + 33% for maintaining their addresses)</li> <li>• inactive members weighted up to 58% (25% because of divorce + 33% if you maintain their addresses)</li> </ul>
4a. Financial Administration and Control	Pro rata based on ratio of the sum of attributions to activities 1 to 3 for actives, annuitants and inactives using rules above.
4b. Board, Strategy, Policy	per 4a above
4c. Government and Public Relations	per 4a above
5a. Amortization of non-IT Major Projects	per 4a above
5b. Non-IT Major Projects (if you don't capitalize)	per 4a above
5c. Amortization of IT Major Projects	per 4a above
5d. IT Major Projects (if you don't capitalize)	per 4a above
6a. IT Strategy, Database and Applications (excl. major projects)	per 4a above
6b. IT Desktop, Networks, Telecom	per 4a above
7a. Building and Utilities	per 4a above
7b. Human Resources	per 4a above
7c. Actuarial	per 4a above
7d. Legal and Rule Interpretation	per 4a above
7e. Internal and External Audit	per 4a above
7f. Pay-as-you-go Benefits for Retired Staff	per 4a above
7g. Other Support Services	per 4a above

## Cost per weighted member

In this report active members and annuitants is the divisor used when determining cost per member. But as the analysis on the previous three pages demonstrates, active members are more costly to administer than annuitants, and the cost to administer inactive members is greater than zero. Thus, using active members and annuitants as the divisor can bias results. It unfairly makes systems look higher cost if they have substantially higher than average proportions of inactive members and/or substantially lower than average proportions of annuitants.

Another way to compare total costs is on a per 'weighted member' basis where the weightings reflect the fact that costs vary by type of member. Your pension administration cost per weighted member was \$76.83. This was below the peer average of \$103.03. Members are weighted as follows: active members at 100%, inactive members at 25% and annuitants at 45%.

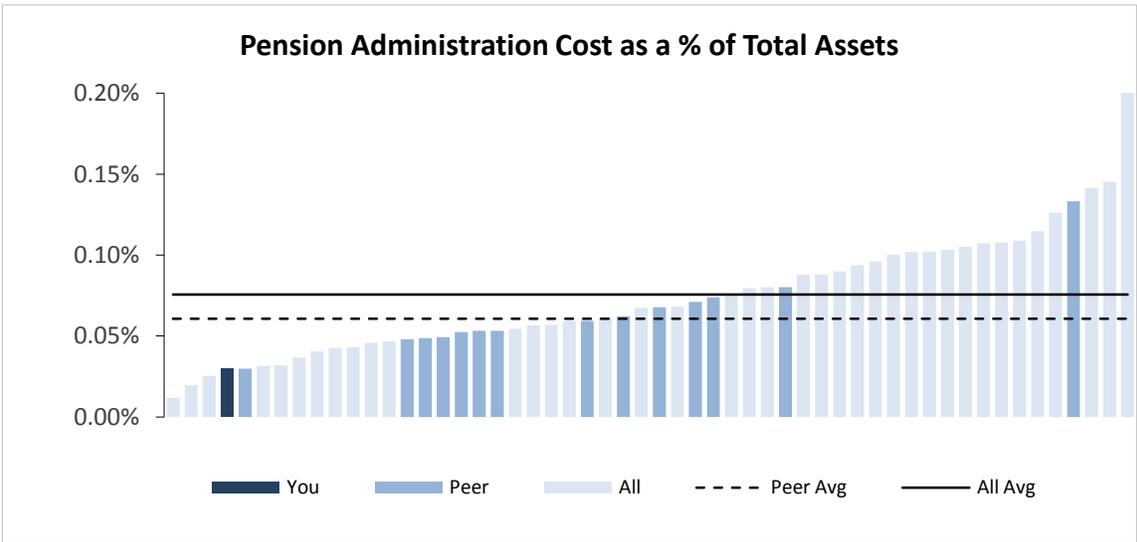
Relative rankings under both methodologies are shown in the graphs below.



## Cost as a % of total assets

An alternative way to compare total costs is as a percent of total pension assets. This ratio is particularly useful when trying to understand how pension administration costs compare to investment costs within the same system because investment costs tend to be quoted as a percentage of assets. This ratio is less useful when comparing between systems, as is done in the graph below, because the divisor, total assets, depends on plan rules (more generous plans will have more assets) and funded status.

Your pension's administration costs represented 0.03% of total assets (or 3 basis points). This was below the peer average of 0.06%.



## Reconciliation to costs provided on the survey

The fully-attributed costs of activities 1f. Healthcare Administration and 1g. Optional and Third Party Administered Benefits are excluded from pension administration costs to ensure comparability. Your direct costs per the survey for activities 4, 5, 6 and 7 have been reduced by attributions to activities 1F and 1G that add up to \$4,074 thousand.

Activity	Your Costs in \$000s				Total	\$s per Active Member and Annuitant
	Salaries & Benefits	Third Party & Other	Direct <sup>1</sup> Attributions to 1f & 1g	Indirect <sup>2</sup> Attributions to 1f & 1g		
<b>1. Member Transactions</b>						
a. Pension Payments	992	345			1,336	3.06
b. Pension Inceptions	1,042	19			1,061	2.43
c. Withdrawals and Transfers-out	424	7			431	0.99
d. Purchases and Transfers-in	82	1			83	0.19
e. Disability	744	115			859	1.97
f. Healthcare Administration	1,048	363	3,435	225	5,070	11.61
g. Optional and Third Party Administered Benefits	697	143	289	125	1,254	2.87
<b>2. Member Communication</b>						
a. Call Center	1,556	34			1,590	3.64
b. Mail Room, Imaging	927	375			1,302	2.98
c. 1-on-1 Counseling	780	19			798	1.83
d. Presentations and Group Counseling	526	14			540	1.24
e. Written Pension Estimates	1,332	32			1,364	3.12
f. Mass Communication	849	529			1,378	3.15
<b>3. Collections and Data Maintenance</b>						
a. Data and Money from Employers	1,057	25			1,082	2.48
b. Service to Employers	403	13			416	0.95
c. Data Not from Employers	181	3			184	0.42
<b>4. Governance and Financial Control</b>						
a. Financial Administration and Control	739	85		-107	717	1.64
b. Board, Strategy, Policy	605	207		-105	707	1.62
c. Government and Public Relations	316	81		-52	346	0.79
<b>5. Major Projects</b>						
a. Amortization of non-IT Major Projects	n/a	0	0	0	0	0.00
b. Non-IT Major Projects (if you don't capitalize)	839	1,430	-565	0	1,703	3.90
c. Amortization of IT Major Projects	n/a	141	-35	0	106	0.24
d. IT Major Projects (if you don't capitalize)	791	1,051	-459	0	1,383	3.17
<b>6. Information Technology</b>						
a. IT Strategy, Database, Applications (excl. major projects)	2,341	5,111	-1,857	0	5,595	12.81
b. IT Desktop, Networks, Telecom	770	1,019	-209	-22	1,557	3.56
<b>7. Support Services and Other</b>						
a. Building and Utilities	104	1,637	-204	-22	1,515	3.47
b. Human Resources	517	314	-97	-10	723	1.66
c. Actuarial	0	501	-59	-6	436	1.00
d. Legal and Rule Interpretation	891	221	-130	-14	967	2.21
e. Internal and External Audit	398	309	-83	-9	616	1.41
f. Pay-as-you-go Benefits for Retired Staff	0	n/a	0	0	0	0.00
g. Other Support Services	153	64	-25	-3	189	0.43
<b>Total Administration</b>	<b>21,103</b>	<b>14,205</b>	<b>0</b>	<b>0</b>	<b>35,309</b>	<b>80.83</b>
less:						
f. Healthcare Administration	-1,048	-363	-3,435	-225	-5,070	-11.61
g. Optional and Third Party Administered Benefits	-697	-143	-289	-125	-1,254	-2.87
<b>Total Pension Administration</b>					<b>28,984</b>	<b>66.35</b>

1. Direct attributions are equal to your attributions of 5. Major Projects and 6a. IT Strategy, Database, Applications as per your survey plus CEM attributions of 6b through 7g to activities 1-4 pro rata based on FTE.

2. Indirect attributions include: (i) CEM attributions of 4. Governance to activities 1-3 pro rata based on FTE and (ii) your direct attributions to 4. Governance attributed to activities 1-3 pro rata based on FTE.

## Adjustments to peer data used in attributing cost differences

Peer averages used to explain reasons why cost per member is different from the peer average are often adjusted. The adjustments are shown in the table below. Each adjustment is applied sequentially from left to right.

Adjustments to Peer Averages used in the Cost Model							
Reasons for differences in cost	Averages			Adjustments used to avoid double counting			Final Adjusted Average Used
	Peer Average	Weighted Average	Inverse Average	Scale	Work-loads	Cost per FTE	
Scale: Active Members and Annuitants	455,617		407,694				407,694
Workloads: Transactions per member	38						38
Productivity: transactions per front-office FTE	112,740	96,634		2,300			98,933
Costs that vary per FTE (salaries, etc.) per FTE	\$111,694	\$112,354					\$112,354
Per member costs for:							
Third party & other costs in front-office	\$7.69	\$7.29		-\$0.08	\$0.08		\$7.29
Back office activities	\$43.06			-\$0.39		-\$9.01	\$33.66

**Scale Adjustments:** The impact CEM attributes to economy of scale must be 'backed out' of peer data to avoid double counting in subsequent reasons for cost differences. Each peer is independently adjusted by a total amount equaling the expected cost difference due to scale between you and that peer. That adjustment is divided across three categories: productivity, third party & other costs in the front-office and back office costs. The share allocated to each is based on that peer's relative spending on front office salaries and benefits (including support), front office third party & other costs, and back office costs respectively.

**Workload Adjustments:** Third party & other costs in the front-office are linked to transaction volumes. The extent to which higher or lower transaction volumes drive higher or lower third party & other costs in front-office activities is already captured in the impact of higher or lower transaction volumes. To avoid double counting, before calculating the impact of higher/lower third party & other costs in the front-office, peer data is adjusted to reflect expected costs if they had your transaction volume.

**Cost per FTE Adjustments:** The impact of higher or lower cost per FTE in the back office is already captured in the 'salary' impact. To avoid double counting, it cannot also be included as part of 'paying more or less' for back-office activities. Peer back office activity costs are adjusted to reflect what they would be if each peer had your average back office costs per FTE.

**Weighted Average vs. Average:** Adding up the differences between your fund and the peer average for each category does not add up to the total difference between your fund and the peer average cost per member. This is because some reasons matter more for some peers than for others. For example, salary differences matter more in explaining cost differences between you and peers with higher FTE/member. In order to explain differences in total cost, many of the averages must be weighted. The weightings used are as follows:

    Productivity (Inverse): weighted by workload per member.

    Cost per FTE: weighted by FTE per member. Additionally re-weighted to reflect your front-office/back-office FTE ratio.

    Third party & other costs in front-office: weighted by workload per member

**Inverse:** several of the reasons shown are actually the inverse of the true driver of cost differences. Economy of scale advantage/disadvantage, for example, is not associated with active members and annuitants, but with '1/active members and annuitants'. It is not intuitive for most readers to look at this inverse ratio, so the report graphs 'active members and annuitants'. However, it is the peer average of '1/active members and annuitants' that explains cost differences. CEM plots this value on the graph by calculating the peer average of '1/active members and annuitants' and then taking the inverse of that average. Similarly, 'FTE/transaction' is the relevant peer measure, not 'transactions/FTE'.

# Activity Costs

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This section compares:

- Direct costs by activity, before any attributions
- Factors that impact the direct costs of each activity such as salaries per direct FTE, transaction volumes per direct FTE, economies of scale, membership mix, and additional work per unit of activity volume.
- Fully-attributed costs by activity

## Calculation of your activity costs

Calculation of Your Direct Activity Costs			
Activity <sup>1</sup>	Cost <sup>2</sup> in \$000s (A)	Activity Volume (B)	\$s per Unit (A / B)
<b>1. Member Transactions</b>			
a. Pension Payments	1,336	180,056 annuitants	7.42
b. Pension Inceptions	1,061	10,105 new payee inceptions	105.04
c. Withdrawals and Transfers-out	431	3,878 withdrawals and transfers-out	111.14
d. Purchases and Transfers-in	83	798 purchases and transfers-in	104.14
e. Disability	859	2,389 disability applications	359.40
<b>2. Member Communication</b>			
a. Call Center	1,590	203,339 calls and emails	7.82
b. Mail Room, Imaging	1,302	169,464 incoming mail	7.68
c. 1-on-1 Counseling	798	5,739 members counseled 1-on-1	139.10
d. Presentations and Group Counseling	540	395 member presentations	1,366.33
e. Written Pension Estimates	1,364	22,806 written estimates	59.80
f. Mass Communication	1,378	436,844 active members and annuitants	3.15
<b>3. Collections and Data Maintenance</b>			
a. Data and Money from Employers	1,082	256,788 active members	4.21
b. Service to Employers	416	256,788 active members	1.62
c. Data Not from Employers	184	594,605 actives, inactives, annuitants	0.31
<b>4. Governance and Financial Control <sup>4</sup></b>			
a. Financial Administration and Control	717	436,844 active members and annuitants	1.64
b. Board, Strategy, Policy	707	436,844 active members and annuitants	1.62
c. Government and Public Relations	346	436,844 active members and annuitants	0.79
<b>5. Major Projects <sup>4</sup></b>			
a. Amortization of non-IT Major Projects	0	436,844 active members and annuitants	0.00
b. Non-IT Major Projects (if you don't capitalize)	1,703	436,844 active members and annuitants	3.90
c. Amortization of IT Major Projects	106	436,844 active members and annuitants	0.24
d. IT Major Projects (if you don't capitalize)	1,383	436,844 active members and annuitants	3.17
<b>6. Information Technology <sup>4</sup></b>			
a. IT Strategy, Database, Applications (excl. major projects)	5,595	436,844 active members and annuitants	12.81
b. IT Desktop, Networks, Telecom	1,557	262 pension admin FTE	5,952.46
<b>7. Support Services and Other <sup>4</sup></b>			
a. Building and Utilities	1,515	262 pension admin FTE	5,792.07
b. Human Resources	723	262 pension admin FTE	2,765.44
c. Actuarial	436	436,844 active members and annuitants	1.00
d. Legal and Rule Interpretation	967	436,844 active members and annuitants	2.21
e. Internal and External Audit	616	436,844 active members and annuitants	1.41
f. Pay-as-you-go Benefits for Retired Staff	0	262 pension admin FTE	0.00
g. Other Support Services	189	436,844 active members and annuitants	0.43
<b>Total Pension Administration <sup>3</sup></b>	<b>28,984</b>	<b>436,844 active members and annuitants</b>	<b>66.35</b>

1. Refer to Appendix C for activity definitions.

2. Cost is 'direct cost' as per your survey. It is the sum of:

a) Salaries and benefits of all staff that directly perform the activity, plus related support and management staff that are in the same department. For example, the call center includes call and email customer service agents, trainers, analysts and managers.

b) Third-party and other non-staff, non-third-party-fee costs that can be directly attributed to the activities but that are not already included in the other activities listed. These other costs may include office supplies, travel, subscriptions, training, conferences.

3. The fully attributed costs of activities 1f. Healthcare Administration and 1g. Optional and Third Party Administered Benefits are excluded from total pension administration costs to ensure comparability.

4. Your direct costs for activities 4, 5, 6, and 7 have been reduced by attributions to 1f. Healthcare Administration and 1g. Optional and Third Party Administered Benefits that add up to \$4,074 thousand. Refer to the last page of this section for details.

## Summary comparisons of activity costs by quartile breakdown

Comparisons of Direct Activity Costs <sup>1</sup>														
Activity	Cost per:	You	Peer						All Participant					
			Avg	Max	Q3	Med	Q1	Min	Avg	Max	Q3	Med	Q1	Min
<b>1. Member Transactions</b>														
a. Pension Payments	annuitant	7.42	9.32	22.71	10.85	8.24	6.44	1.68	12.37	138.56	14.02	7.99	4.79	0.53
b. Pension Inceptions	new payee inception	105.04	162.50	382.79	171.51	140.33	99.46	57.13	215.69	904.72	267.48	176.18	86.25	9.58
c. Withdrawals and Transfers-out	withdrawal & transfer-out	111.14	95.94	365.11	136.26	43.74	39.27	3.64	310.92	4,024.30	305.49	90.39	40.84	3.64
d. Purchases and Transfers-in	purchase & transfer-in	104.14	229.82	864.41	298.93	127.54	86.16	42.28	344.64	2,314.63	393.41	215.13	102.08	29.75
e. Disability	disability application	359.40	1,423.88	3,737.01	2,234.86	802.63	407.72	299.94	1,905.89	14,339.94	2,181.90	1,424.89	361.34	97.52
<b>2. Member Communication</b>														
a. Call Center	call & email	7.82	9.14	29.90	9.89	7.76	5.89	4.33	11.21	82.57	13.53	7.82	5.20	2.43
b. Mail Room, Imaging	incoming mail	7.68	5.87	17.88	6.04	5.22	4.11	1.22	8.64	91.86	8.90	5.00	3.29	0.70
c. 1-on-1 Counseling	member counseled 1-on-1	139.10	104.10	232.66	127.90	97.45	62.71	40.52	135.22	1,875.00	132.75	56.90	40.55	12.86
d. Presentations and Group Counseling	member presentation	1,366.33	1,626.66	4,993.33	1,682.98	1,211.97	574.35	358.35	1,503.97	6,614.72	1,675.25	1,133.84	564.75	215.20
e. Written Pension Estimates	written estimate	59.80	47.63	131.44	58.20	39.66	30.34	9.70	129.21	1,143.08	139.45	57.43	28.95	5.32
f. Mass Communication	active member & annuitant	3.15	3.34	7.84	4.08	3.15	1.98	1.56	3.60	12.95	4.67	3.59	1.91	0.00
<b>3. Collections and Data Maintenance</b>														
a. Data and Money from Employers	active member	4.21	6.50	22.04	6.14	4.21	2.70	1.34	10.12	48.01	12.22	6.22	3.30	0.26
b. Service to Employers	active member	1.62	2.87	6.99	2.87	2.24	1.69	1.43	3.48	16.14	5.09	2.85	1.62	0.00
c. Data Not from Employers	active, inactive & annuitant	0.31	0.93	3.57	1.19	0.70	0.36	0.03	1.23	12.30	1.54	0.64	0.33	0.00
<b>4. Governance and Financial Control</b>														
a. Financial Administration and Control	active member & annuitant	1.64	2.48	4.09	3.41	2.58	1.72	0.63	4.66	28.54	4.57	3.52	1.93	0.20
b. Board, Strategy, Policy	active member & annuitant	1.62	1.92	4.38	2.51	1.66	1.06	0.15	5.75	38.47	7.39	3.71	1.63	0.15
c. Government and Public Relations	active member & annuitant	0.79	1.12	3.87	1.52	0.73	0.35	0.13	2.08	20.61	2.59	1.10	0.35	0.00
<b>5. Major Projects</b>														
a. Amortization of non-IT Major Projects	active member & annuitant	0.00	0.04	0.58	0.00	0.00	0.00	0.00	0.05	1.88	0.00	0.00	0.00	0.00
b. Non-IT Major Projects (if you don't capitalize)	active member & annuitant	3.90	1.65	7.66	2.32	0.00	0.00	0.00	1.17	14.41	0.68	0.00	0.00	0.00
c. Amortization of IT Major Projects	active member & annuitant	0.24	2.28	7.72	4.50	0.24	0.00	0.00	5.86	260.01	1.13	0.00	0.00	0.00
d. IT Major Projects (if you don't capitalize)	active member & annuitant	3.17	4.86	22.42	7.66	1.40	0.14	0.00	7.54	133.18	7.56	1.04	0.00	0.00
<b>6. Information Technology</b>														
a. IT Strategy, Database, Applications (excl. major projects)	active member & annuitant	12.81	15.13	32.54	22.25	13.03	8.76	5.37	17.49	55.07	22.51	13.38	7.47	0.00
b. IT Desktop, Networks, Telecom	pension admin fte	5,952	12,018	22,170	13,334	11,892	9,416	5,952	9,629	22,170	12,604	9,585	6,896	0
<b>7. Support Services and Other</b>														
a. Building and Utilities	pension admin fte	5,792	8,703	17,015	9,400	8,259	6,048	3,745	10,014	29,285	14,757	8,524	5,924	791
b. Human Resources	pension admin fte	2,765	2,694	5,814	3,054	2,476	1,628	873	3,284	7,731	5,665	2,511	1,429	0
c. Actuarial	active member & annuitant	1.00	1.53	3.48	1.83	1.48	0.90	0.71	2.20	13.50	2.78	1.51	0.77	0.00
d. Legal and Rule Interpretation	active member & annuitant	2.21	3.18	8.89	5.04	2.19	1.63	0.55	4.23	18.89	5.37	3.33	1.76	0.08
e. Internal and External Audit	active member & annuitant	1.41	1.37	2.70	1.58	1.17	0.91	0.40	2.15	23.60	2.33	1.51	0.85	0.00
f. Pay-as-you-go Benefits for Retired Staff	pension admin fte	0.00	719.55	6,041.47	516.86	0.00	0.00	0.00	427.70	6,041.47	0.00	0.00	0.00	0.00
g. Other Support Services	active member & annuitant	0.43	2.38	6.87	3.80	1.70	0.88	0.00	2.47	20.14	3.51	1.27	0.10	0.00
<b>Total Pension Administration<sup>2</sup></b>		66.35	90.27	202.95	101.65	83.42	64.17	54.23	119.14	433.71	128.95	101.55	66.59	10.44

1. In this section we compare your costs to the peer median (i.e., the middle value or 50th percentile) because outlier data often skews averages in the direction of outlier values. Maximum and minimum values usually reflect unusual circumstances and are often associated with very low volumes.

2. The fully attributed costs of activities 1f. Healthcare Administration and 1g. Optional and Third Party Administered Benefits are excluded from total pension administration costs to ensure comparability.

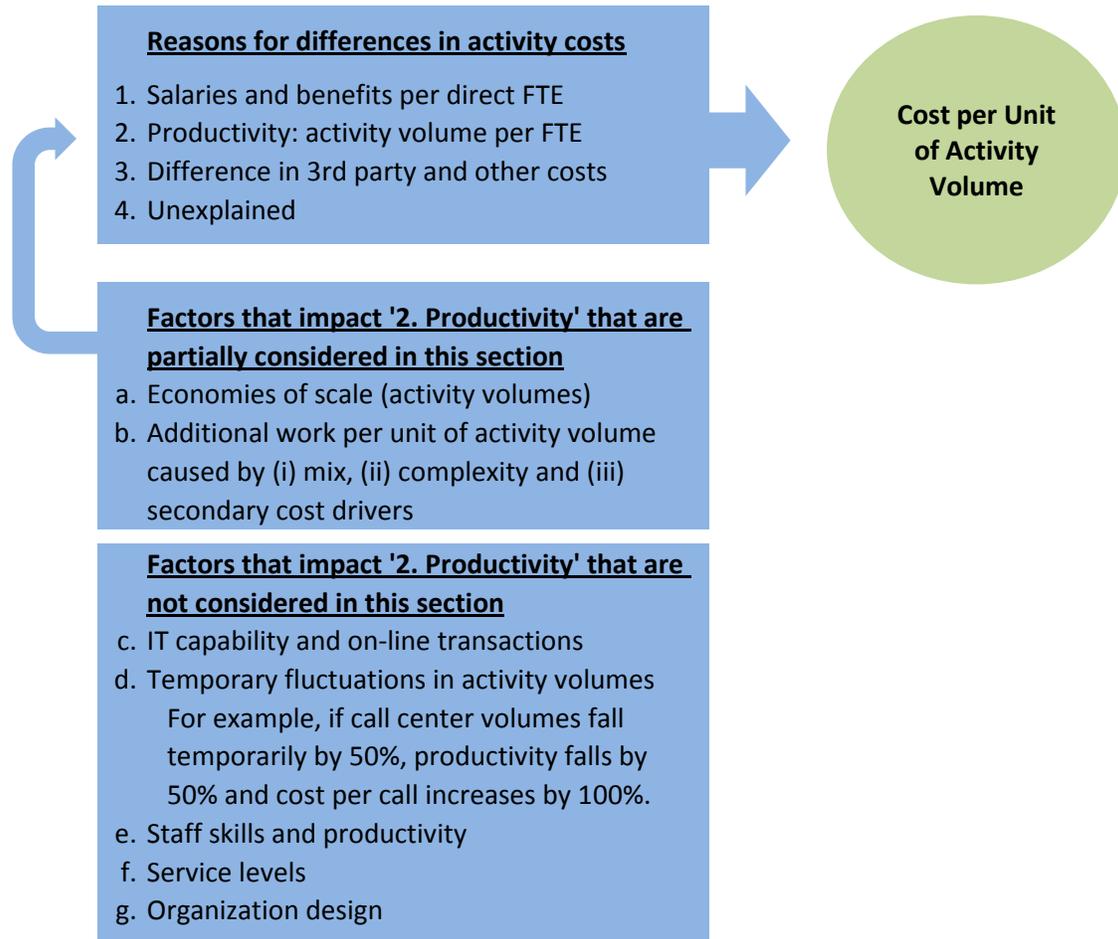
## Activity cost history

Comparisons of Direct Activity Costs <sup>1</sup>													
Activity	Cost per:	You				Peer Average				All Participant Average			
		2014	2013	2012	2011	2014	2013	2012	2011	2014	2013	2012	2011
<b>1. Member Transactions</b>													
a. Pension Payments	annuitant	7.42	6.84	5.40	2.95	9.27	9.04	8.95	9.92	13.13	12.66	12.66	12.88
b. Pension Inceptions	new payee inception	105.04	107.58	57.43	72.18	162.23	152.78	134.93	144.20	214.13	211.38	224.03	209.29
c. Withdrawals and Transfers-out	withdrawal & transfer-out	111.14	59.87	50.68	76.96	88.78	63.26	65.54	66.10	363.16	296.30	877.94	775.54
d. Purchases and Transfers-in	purchase & transfer-in	104.14	179.53	123.78	131.05	239.42	222.14	229.52	290.65	302.97	288.93	340.30	323.54
e. Disability	disability application	359.40	311.16	313.13	432.08	1,500.99	1,430.68	1,440.88	1,405.76	1,949.76	1,845.60	2,076.17	1,746.38
<b>2. Member Communication</b>													
a. Call Center	call & email	7.82	8.44	7.73	7.44	9.14	8.45	8.43	7.22	11.67	10.08	9.94	9.07
b. Mail Room, Imaging	incoming mail	7.68	6.28	6.07	2.97	5.91	5.81	5.40	6.61	8.08	10.76	51.51	47.13
c. 1-on-1 Counseling	member counseled 1-on-1	139.10	151.40	113.07	112.17	99.27	102.83	101.11	96.18	150.31	104.12	105.69	114.78
d. Presentations and Group Counseling	member presentation	1,366.33	1,710.06	1,131.25	890.51	1,705.19	1,487.32	1,452.81	1,339.71	1,597.21	2,832.71	3,698.13	2,791.11
e. Written Pension Estimates	written estimate	59.80	71.39	68.63	29.56	49.45	56.26	72.61	54.81	146.17	140.02	152.56	1,367.32
f. Mass Communication	active member & annuitant	3.15	2.23	1.43	1.36	3.29	3.39	3.11	2.99	3.74	4.06	3.93	3.82
<b>3. Collections and Data Maintenance</b>													
a. Data and Money from Employers	active member	4.21	3.35	3.44	2.25	6.53	5.51	5.33	4.76	11.00	10.10	9.10	9.03
b. Service to Employers	active member	1.62	1.26	1.59	1.83	2.95	2.66	2.83	2.40	3.39	3.20	3.13	2.60
c. Data Not from Employers	active, inactive & annuitant	0.31	0.26	0.40	0.43	0.87	0.80	0.84	0.84	1.03	1.28	1.27	1.09
<b>4. Governance and Financial Control</b>													
a. Financial Administration and Control	active member & annuitant	1.64	1.88	1.90	2.15	2.51	2.73	2.96	3.09	4.29	4.49	4.84	4.67
b. Board, Strategy, Policy	active member & annuitant	1.62	1.76	2.05	4.04	1.92	1.90	1.96	1.78	5.38	5.14	5.38	5.47
c. Government and Public Relations	active member & annuitant	0.79	1.93	2.07	0.09	1.16	0.95	1.05	0.78	2.31	1.88	1.87	1.94
<b>5. Major Projects</b>													
a. Amortization of non-IT Major Projects	active member & annuitant	0.00	0.00	0.00	0.00	0.04	0.00	0.00	0.39	0.01	0.00	0.00	0.14
b. Non-IT Major Projects (if you don't capitalize)	active member & annuitant	3.90	3.11	3.20	0.11	1.77	1.26	0.60	0.62	1.31	0.83	1.05	1.47
c. Amortization of IT Major Projects	active member & annuitant	0.24	0.25	0.20	0.00	2.15	2.27	1.66	0.77	7.64	5.21	3.13	1.63
d. IT Major Projects (if you don't capitalize)	active member & annuitant	3.17	0.27	0.00	2.90	4.52	5.10	4.46	2.91	7.83	7.15	5.39	5.62
<b>6. Information Technology</b>													
a. IT Strategy, Database, Applications (excl. major projects)	active member & annuitant	12.81	12.49	11.77	6.70	15.59	14.05	14.05	13.07	18.01	16.38	15.93	15.14
b. IT Desktop, Networks, Telecom	pension admin fte	5,952	4,012	9,053	10,380	12,209	9,053	9,400	10,197	10,109	9,508	10,039	9,707
<b>7. Support Services and Other</b>													
a. Building and Utilities	pension admin fte	5,792	6,548	11,598	7,779	8,710	8,923	11,842	9,491	10,306	10,504	11,734	10,510
b. Human Resources	pension admin fte	2,765	1,882	2,110	2,583	2,731	2,565	2,751	2,595	3,446	3,566	3,594	4,188
c. Actuarial	active member & annuitant	1.00	0.41	1.15	0.67	1.57	1.56	1.67	1.29	1.73	1.78	1.74	1.65
d. Legal and Rule Interpretation	active member & annuitant	2.21	2.20	1.71	0.27	3.32	3.05	2.81	3.48	3.99	3.97	3.86	3.97
e. Internal and External Audit	active member & annuitant	1.41	1.45	1.37	0.97	1.44	1.54	1.49	1.52	2.31	2.29	2.02	2.02
f. Pay-as-you-go Benefits for Retired Staff	pension admin fte	0.00	0.00	0.00	0.00	770.95	824.53	812.20	617.52	523.11	460.74	490.90	401.37
g. Other Support Services	active member & annuitant	0.43	0.37	0.42	2.24	2.48	3.73	3.67	4.08	2.39	2.48	2.58	2.54
<b>Total Pension Administration<sup>2</sup></b>	active member & annuitant	66.35	58.63	62.43	51.34	91.31	88.24	87.89	82.75	122.65	115.15	111.83	107.74

1. Trend analysis is based on systems that have participated for 4-consecutive years (14 peers and 40 World systems). This ensures that trends are not caused by changes in the composition of the participants.

2. The fully attributed costs of activities 1f. Healthcare Administration and 1g. Optional and Third Party Administered Benefits are excluded from total pension administration costs to ensure comparability.

## CEM uses the following model to help explain differences in activity costs



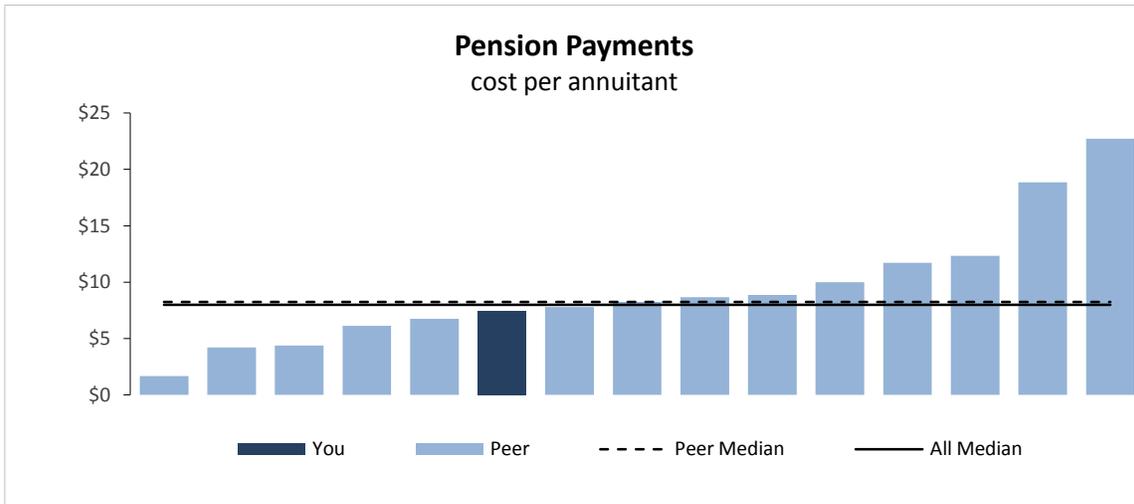
In this section, CEM quantifies the amount by which differences in the four reasons identified in the top box above impact your costs by calculating how your costs would change if you had the peer median salaries/ productivity/ third party and other costs. This methodology results in an unexplained amount, which is sometimes quite large, because:

- Peer salaries, productivity, and third party and other costs are not uniformly distributed. Often there are extreme outliers, especially for systems with relatively low volumes. Thus if you have outlier data for an activity, or several of your peers have extreme data, the unexplained amount may be large.
- Interaction between the three reasons is not quantified. For example, peers with higher productivity may also pay higher salaries. This offsetting impact between higher salaries and higher productivity is not quantified.

All comparisons are to the peer median (i.e., the middle value or 50th percentile). The median is used instead of the average because outlier data often skews averages in the direction of outlier values. Skewing is particularly acute with activity costs because participants with a low volume in an activity sometimes have very high costs per unit.

# 1A Pension Payments

Your pension payments cost per annuitant was \$7.42. This was \$0.82 below the peer median of \$8.24.



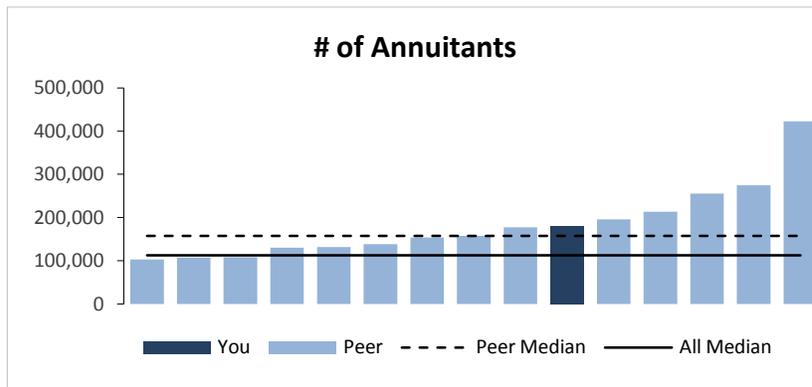
Reasons why your cost was below median	Comparison		Impact <sup>1</sup> \$s per Annuitant
	You	Peer Median	
Lower salaries and benefits per direct FTE	\$70,829	\$78,135	-\$0.57
Fewer annuitants per direct FTE (productivity)	12,861	19,046	\$1.79
Lower third party costs per annuitant	\$1.91	\$2.54	-\$0.62
Unexplained <sup>1</sup>			-\$1.42
<b>Cost per annuitant</b>	<b>\$7.42</b>	<b>\$8.24</b>	<b>-\$0.82</b>

1. Impact equals your activity cost minus what it would have been if your value had equaled the peer median. An unexplained amount occurs using this methodology (refer to page 5 of this section).

# 1A Pension Payments - Factors that impact productivity

## 1. Economies of scale

You had an economy of scale advantage. Your 180,056 annuitants was 14% higher than the peer median of 157,641.

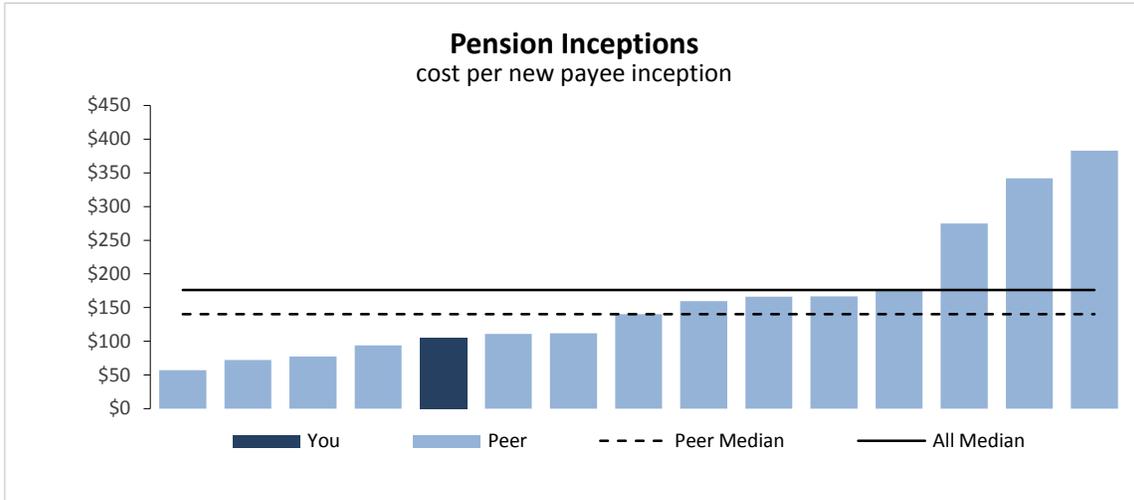


## 2. Additional pension payments work per annuitant

Causes of additional work	You	Peer Avg	Cost Impact
Percentage of pensioners paid by check (as opposed to Electronic Funds Transfer)	1%	4%	decreasing
Number of times per year you sent payment advices with your EFT payments detailing the gross payment and deductions	6.0	5.6	increasing

# 1B Pension Inceptions

Your pension inceptions cost per new payee inception was \$105.04. This was \$35.29 below the peer median of \$140.33. The biggest reason why was that you had lower salaries and benefits per direct FTE.



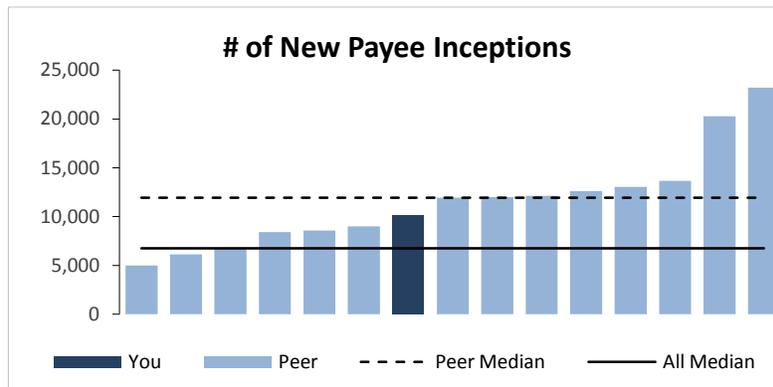
Reasons why your cost was below median	Comparison		Impact <sup>1</sup> \$s per New Payee Inception
	You	Peer Median	
Lower salaries and benefits per direct FTE	\$63,945	\$76,853	-\$20.82
More new payee inceptions per direct FTE (productivity)	620	616	-\$0.63
Lower third party costs per new payee inception	\$1.89	\$5.65	-\$3.76
Unexplained <sup>1</sup>			-\$10.08
<b>Cost per new payee inception</b>	<b>\$105.04</b>	<b>\$140.33</b>	<b>-\$35.29</b>

1. Impact equals your activity cost minus what it would have been if your value had equaled the peer median. An unexplained amount occurs using this methodology (refer to page 5 of this section).

# 1B Pension Inceptions - Factors that impact productivity

## 1. Economies of scale

You had an economy of scale disadvantage. Your 10,105 new payee inceptions was 15% lower than the peer median of 11,925.



## 2. Mix of activity volume

Inceptions to survivors tend to be less work than inceptions to active members because there are usually no payment option choices for survivors.

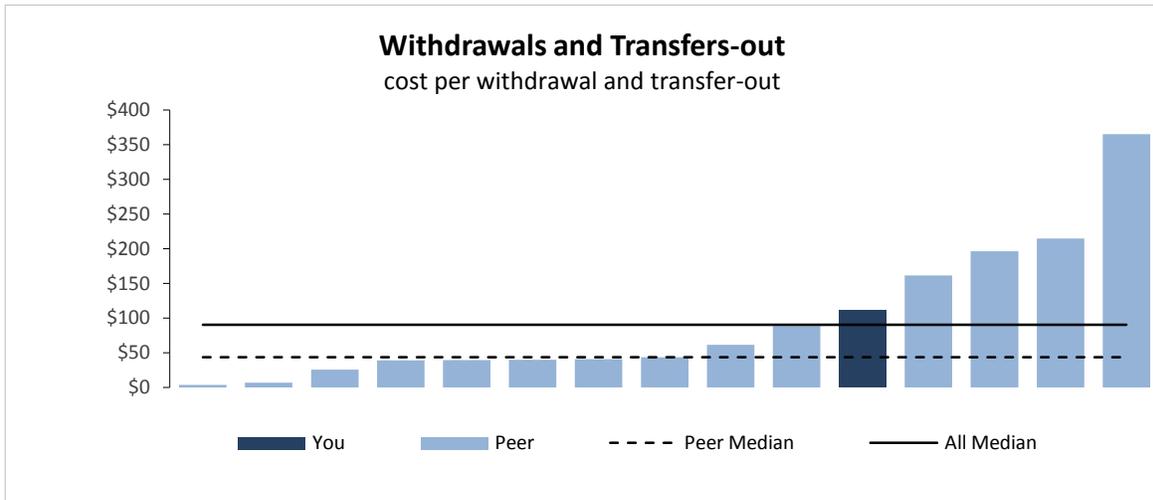
Activity Volume: % by Type	You	Peer Avg	Cost Impact
Annuity inceptions: service retirement (actives)	64%	68%	
Annuity inceptions: service retirement (inactives)	34%	18%	
Annuity inceptions: disability retirement (actives)	1%	4%	
Annuity inceptions: survivor, partner, ex-partner, dependent	1%	10%	increasing
Total new payee inceptions	100%	100%	

## 3. Additional work per new payee inception

Causes of additional work	You	Peer Avg	Cost Impact
Proportion of inceptions to retiring active members based on estimates	99%	67%	increasing
Formal appeals (non-disability) of inceptions as a % of new payee inceptions	0.07%	0.30%	decreasing
Changes in gross amount of annuity pensions paid as a result of changes in an individual annuitant's personal circumstances, as a % of new payee inceptions. (This work is included in the cost of inceptions. but not the volume).	138%	15%	increasing
Joint account reciprocity with other systems	Yes	53%Yes	increasing
Total complexity score (out of 100)	100	72	increasing

## 1C Withdrawals and Transfers-out

Your withdrawals and transfers-out cost per withdrawal and transfer-out was \$111.14. This was \$67.40 above the peer median of \$43.74. The biggest reason why was that you completed fewer withdrawals and transfers-out per direct FTE (productivity).



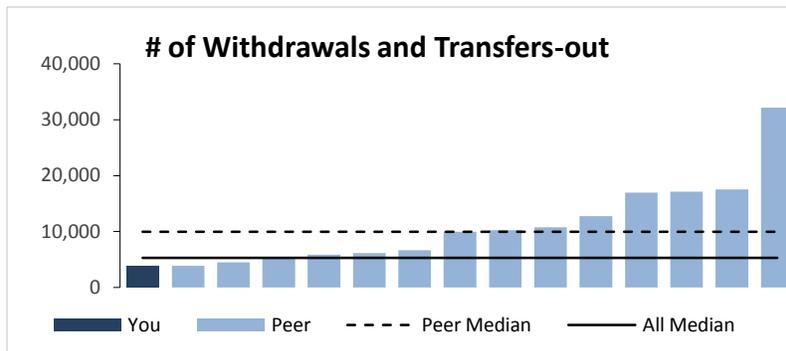
Reasons why your cost was above median	Comparison		Impact <sup>1</sup>
	You	Peer Median	\$s per Withdrawal and Transfer-out
Lower salaries and benefits per direct FTE	\$69,475	\$72,764	-\$5.17
Fewer withdrawals and transfers-out per direct FTE (productivity)	636	1,987	\$74.32
Lower third party costs per withdrawal and transfer-out	\$1.86	\$3.05	-\$1.19
Unexplained <sup>1</sup>			-\$0.55
<b>Cost per withdrawal and transfer-out</b>	<b>\$111.14</b>	<b>\$43.74</b>	<b>\$67.40</b>

1. Impact equals your activity cost minus what it would have been if your value had equaled the peer median. An unexplained amount occurs using this methodology (refer to page 5 of this section).

# 1C Withdrawals and Transfers-out - Factors that impact productivity

## 1. Economies of scale

You had an economy of scale disadvantage. Your 3,878 withdrawals and transfers-out was 61% lower than the peer median of 9,934.



## 2. Mix of activity volume

Transfers-out tend to be more work than a withdrawal because they require co-ordination with another pension system and its rules.

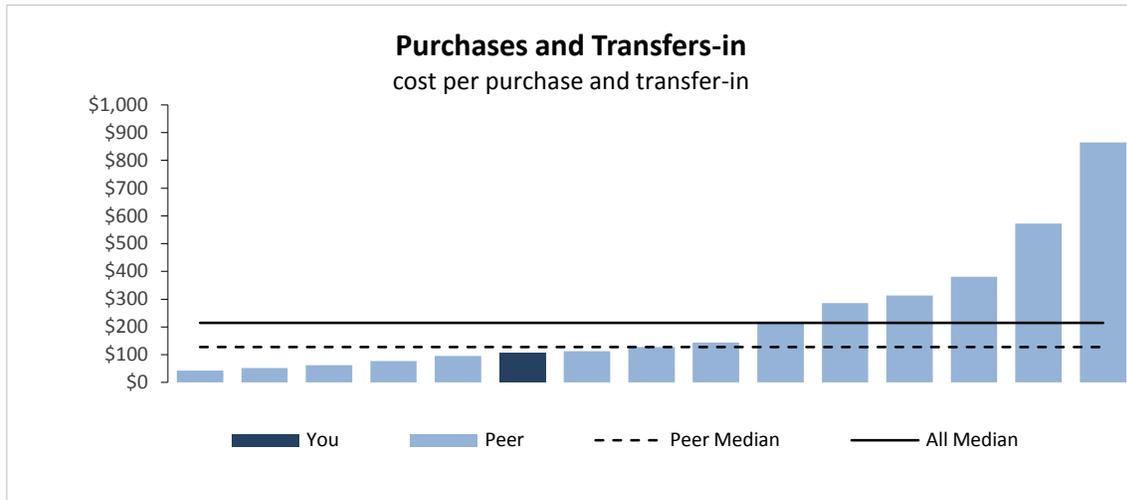
Activity Volume: % by Type	You	Peer Avg	Cost Impact
Full refunds/ withdrawals/ commuted value/ lump sums	100%	96%	
Transfers-out	0%	4%	decreasing
Total withdrawals and transfers-out	100%	100%	

## 3. Additional work per withdrawal and transfer-out

Causes of additional work	You	Peer Avg	Cost Impact
Written estimates for withdrawals and transfers-out as a % of withdrawals and transfers-out	216%	121%	increasing
Do you pay a one-time death payment when a member, retiree or the retiree's beneficiary dies (separate from the survivor pension)?	No	60%Yes	decreasing

## 1D Purchases and Transfers-in

Your purchases and transfers-in cost per purchase and transfer-in was \$104.14. This was \$23.40 below the peer median of \$127.54.



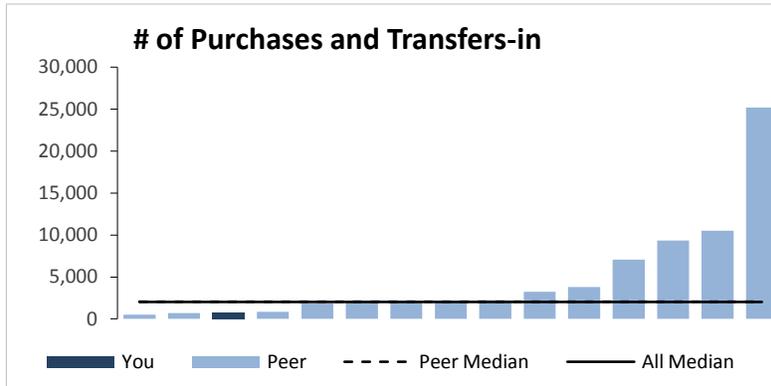
Reasons why your cost was below median	Comparison		Impact <sup>1</sup>
	You	Peer Median	\$s per Purchase and Transfer-in
Lower salaries and benefits per direct FTE	\$74,455	\$74,932	-\$0.66
More purchases and transfers-in per direct FTE (productivity)	725	669	-\$8.73
Lower third party costs per purchase and transfer-in	\$1.50	\$2.99	-\$1.48
Unexplained <sup>1</sup>			-\$12.53
<b>Cost per purchase and transfer-in</b>	<b>\$104.14</b>	<b>\$127.54</b>	<b>-\$23.40</b>

1. Impact equals your activity cost minus what it would have been if your value had equaled the peer median. An unexplained amount occurs using this methodology (refer to page 5 of this section).

# 1D Purchases and Transfers-in - Factors that impact productivity

## 1. Economies of scale

You had an economy of scale disadvantage. Your 798 purchases and transfers-in was 61% lower than the peer median of 2,057.



## 2. Mix of activity volume

Individual transfers-in tend to be more work than a service credit purchase because they require co-ordination with another pension system and its rules.

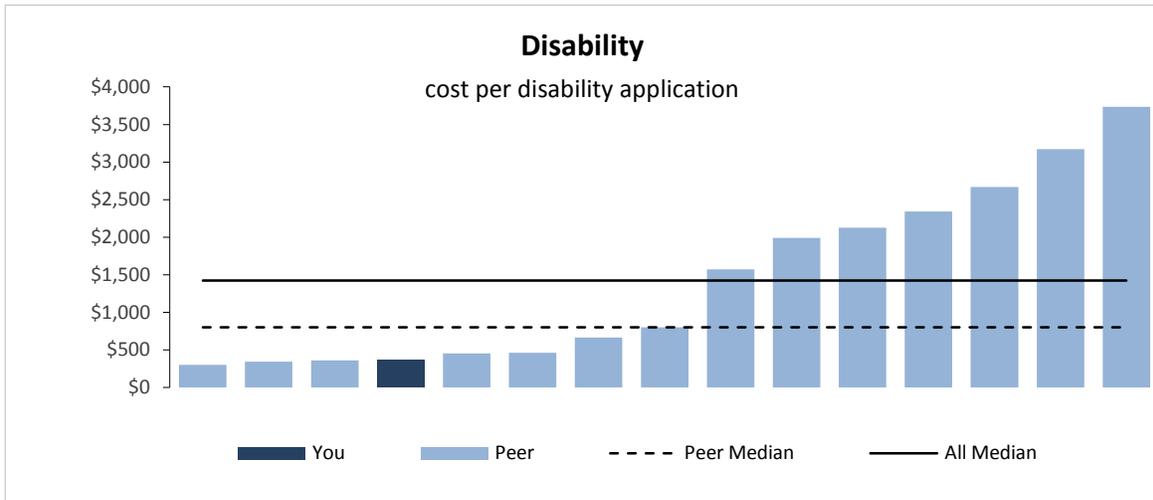
Activity Volume: % by Type	You	Peer Avg	Cost Impact
Service credit purchases	100%	89%	
Upgrades to improve pensionable salary	0%	0%	
Upgrades to a new retirement formula	0%	2%	
Individual transfers-in from external defined benefit systems	0%	10%	decreasing
Members collectively transferred in	0%	0%	
Total purchases and transfers-in	100%	100%	

## 3. Additional work per purchase and transfer-in

Causes of additional work	You	Peer Avg	Cost Impact
Written estimates for purchases and transfers-in as a % of purchases and transfers-in	142%	183%	decreasing
Installment payments permitted	No	80%Yes	decreasing

## 1E Disability

Your disability cost per disability application was \$359.40. This was \$443.23 below the peer median of \$802.63.



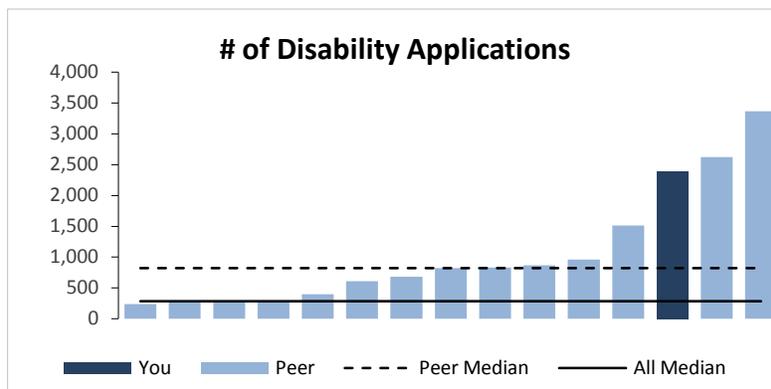
Reasons why your cost was below median	Comparison		Impact <sup>1</sup> \$s per Disability Application
	You	Peer Median	
Higher salaries and benefits per direct FTE	\$82,667	\$75,964	\$25.25
More disability applications per direct FTE (productivity)	265	194	-\$115.31
Lower third party costs per disability application	\$47.97	\$291.32	-\$243.35
Unexplained <sup>1</sup>			-\$109.82
<b>Cost per disability application</b>	<b>\$359.40</b>	<b>\$802.63</b>	<b>-\$443.23</b>

1. Impact equals your activity cost minus what it would have been if your value had equaled the peer median. An unexplained amount occurs using this methodology (refer to page 5 of this section).

# 1E Disability - Factors that impact productivity

## 1. Economies of scale

You had an economy of scale advantage. Your 2,389 disability applications was 191% higher than the peer median of 821.



## 2. Mix of activity volume

Processing long-term disability applications tends to be more work than short-term disability applications.

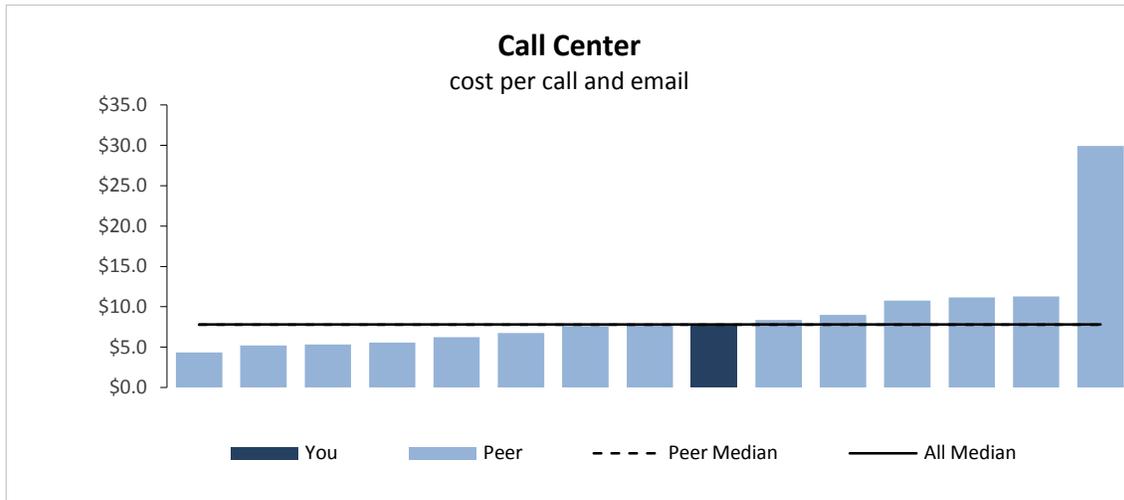
Activity Volume: % by Type	You	Peer Avg	Cost Impact
Applications for short-term disability	62%	11%	
Applications for disability pensions/ long-term disability/ disability lump sums	38%	89%	decreasing
Total disability applications	100%	100%	

## 3. Additional work per disability application

Causes of additional work	You	Peer Avg	Cost Impact
Independent decision process (versus following the ruling of an employer or social security, etc)	Yes	100%Yes	neutral
Recertifications as a % of disability applications	14%	131%	decreasing
Recertifications as a % of disability recipients	3%	20%	decreasing
Medical exams paid for by you as a % of disability applications	0%	67%	decreasing
New member health reviews as a % of disability applications	12%	14%	decreasing
Disability decision appeals as a % of disability applications	2%	8%	decreasing
Occupational disability as a % of disability applications	0%	6%	decreasing
Disability complexity score (out of 100)	82	78	increasing

## 2A Call Center

Your call center cost per call and email was \$7.82. This was \$0.06 above the peer median of \$7.76. The biggest reason why was that you completed fewer calls and emails per direct FTE (productivity).



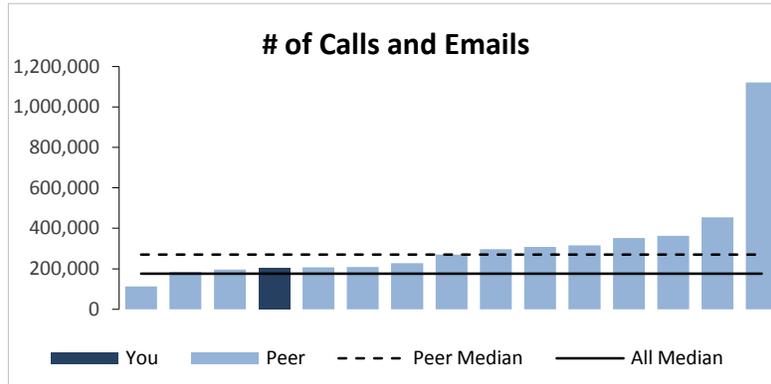
Reasons why your cost was above median	Comparison		Impact <sup>1</sup> \$s per Call and Email
	You	Peer Median	
Lower salaries and benefits per direct FTE	\$62,482	\$69,678	-\$0.88
Fewer calls and emails per direct FTE (productivity)	8,166	9,104	\$0.79
Lower third party costs per call and email	\$0.17	\$0.19	-\$0.02
Unexplained <sup>1</sup>			\$0.17
<b>Cost per call and email</b>	<b>\$7.82</b>	<b>\$7.76</b>	<b>\$0.06</b>

1. Impact equals your activity cost minus what it would have been if your value had equaled the peer median. An unexplained amount occurs using this methodology (refer to page 5 of this section).

## 2A Call Center - Factors that impact productivity

### 1. Economies of scale

You had an economy of scale disadvantage. Your 203,339 calls and emails was 25% lower than the peer median of 270,943.

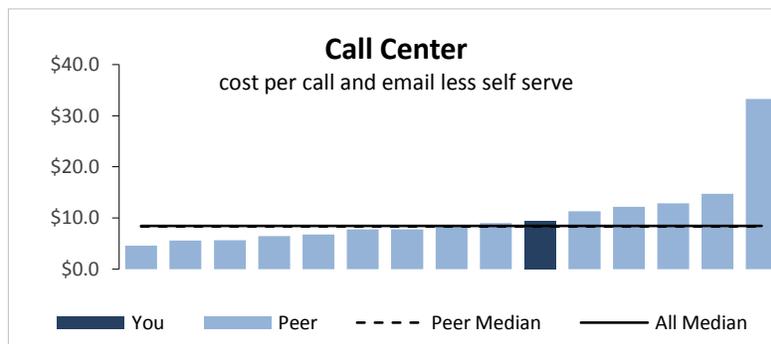


### 2 Mix of activity volume

Calls satisfied by self-serve options are close to zero cost, thus a lower proportion of self-serve calls result in an increased cost per call.

Activity Volume: % by Type	You	Peer Avg	Cost Impact
Incoming calls that reach service representatives	71%	80%	
Outgoing calls from service representatives	6%	6%	
Calls satisfied by self-serve options	18%	9%	decreasing
Email queries from members	6%	5%	
Total calls and emails	100%	100%	

If self-serve calls were excluded from volumes, your cost per active member and annuitant would have been \$9.49. This would have been above the peer median cost of \$8.35.

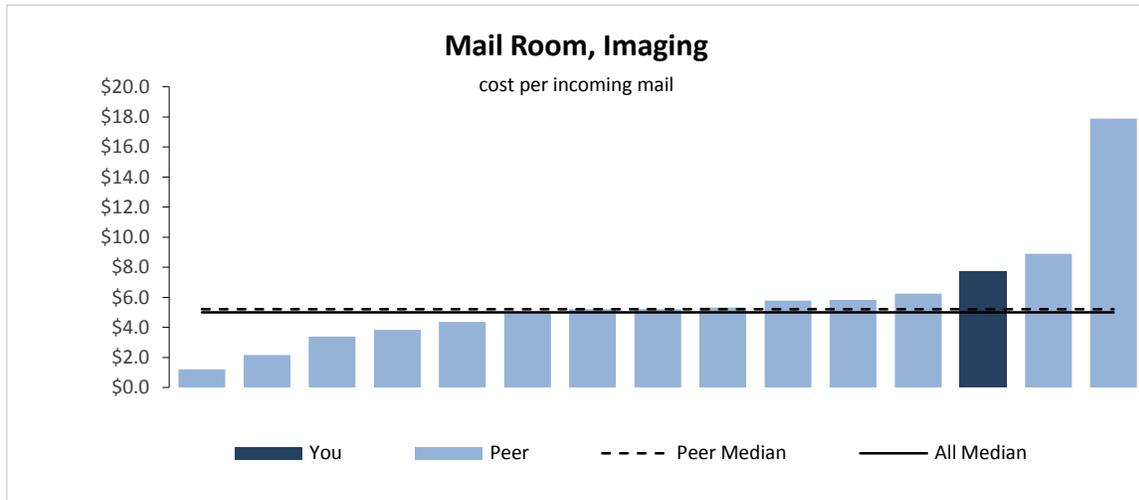


### 3. Additional work per call and email

Causes of additional work	You	Peer Avg	Cost Impact
Average talk time of a member call (in seconds)	308	295	increasing
Average after call work time (in seconds)	90	86	increasing
Do you regularly review staff responses to member calls?	Yes	87%Yes	increasing

## 2B Mail Room, Imaging

Your mail room, imaging cost per incoming mail was \$7.68. This was \$2.46 above the peer median of \$5.22. The biggest reason why was that you completed fewer incoming mail per direct FTE (productivity).



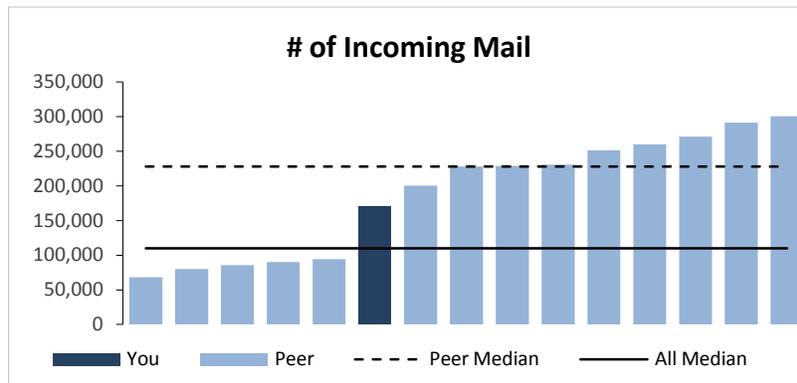
Reasons why your cost was above median	Comparison		Impact <sup>1</sup> \$s per Incoming Mail
	You	Peer Median	
Lower salaries and benefits per direct FTE	\$51,227	\$60,804	-\$1.02
Fewer incoming mail per direct FTE (productivity)	9,363	13,251	\$1.61
Higher third party costs per incoming mail	\$2.21	\$1.39	\$0.82
Unexplained <sup>1</sup>			\$1.05
<b>Cost per incoming mail</b>	<b>\$7.68</b>	<b>\$5.22</b>	<b>\$2.46</b>

1. Impact equals your activity cost minus what it would have been if your value had equaled the peer median. An unexplained amount occurs using this methodology (refer to page 5 of this section).

## 2B Mail Room, Imaging - Factors that impact productivity

### 1. Economies of scale

You had an economy of scale disadvantage. Your 169,464 incoming mail was 26% lower than the peer median of 227,748.

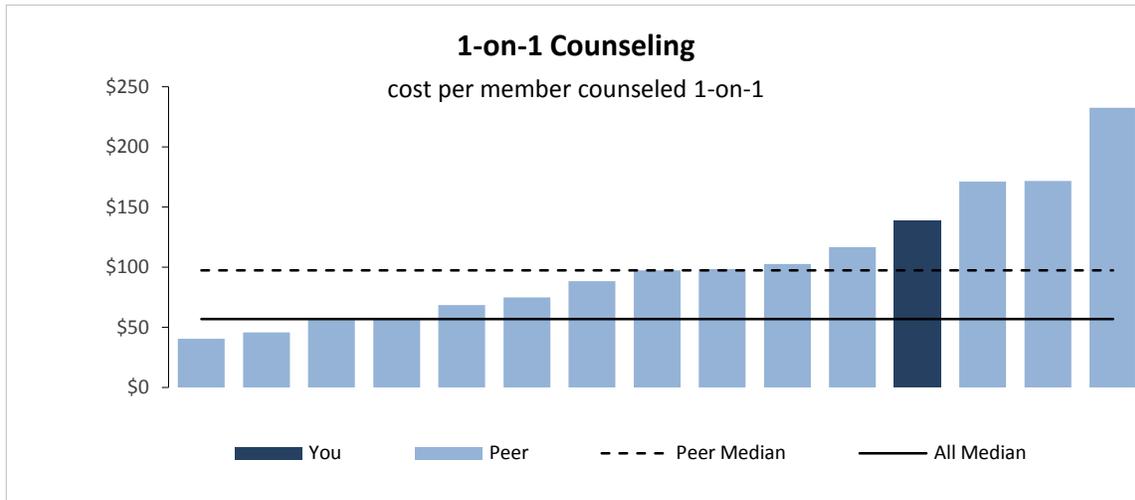


### 2. Additional work per incoming mail

Causes of additional work	You	Peer Avg	Cost Impact
Outgoing mail as a % of incoming mail (Outgoing mail is not included in activity volume. But it can add work if the mailroom is responsible for outgoing mail).	1331%	817%	increasing
Do you use imaging technology?	Yes	100%Yes	neutral
If yes:			
a) Do you keep images of ALL incoming member correspondence and submitted forms?	Yes	100%Yes	neutral

## 2C 1-on-1 Counseling

Your 1-on-1 counseling cost per member counseled 1-on-1 was \$139.10. This was \$41.65 above the peer median of \$97.45. The biggest reason why was that you completed fewer members counseled 1-on-1 per direct FTE (productivity).



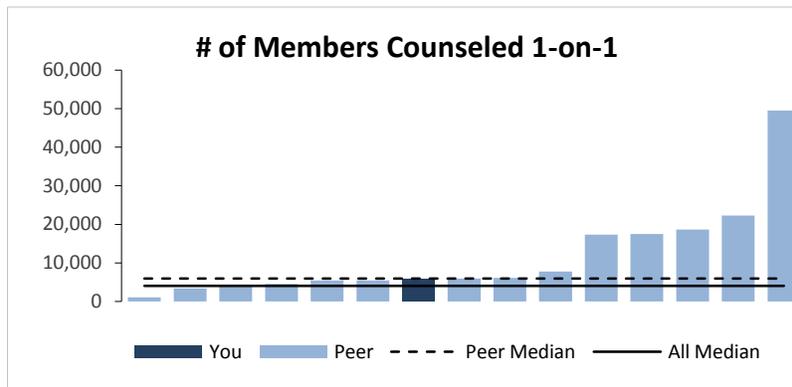
Reasons why your cost was above median	Comparison		Impact <sup>1</sup> \$s per Member Counseled 1-on-1
	You	Peer Median	
Lower salaries and benefits per direct FTE	\$68,982	\$75,472	-\$12.78
Fewer members counseled 1-on-1 per direct FTE (productivity)	508	868	\$56.34
Lower third party costs per member counseled 1-on-1	\$3.28	\$3.59	-\$0.31
Unexplained <sup>1</sup>			-\$1.60
<b>Cost per member counseled 1-on-1</b>	<b>\$139.10</b>	<b>\$97.45</b>	<b>\$41.65</b>

1. Impact equals your activity cost minus what it would have been if your value had equaled the peer median. An unexplained amount occurs using this methodology (refer to page 5 of this section).

## 2C 1-on-1 Counseling - Factors that impact productivity

### 1. Economies of scale

You had an economy of scale disadvantage. Your 5,739 members counseled 1-on-1 was 3% lower than the peer median of 5,892.



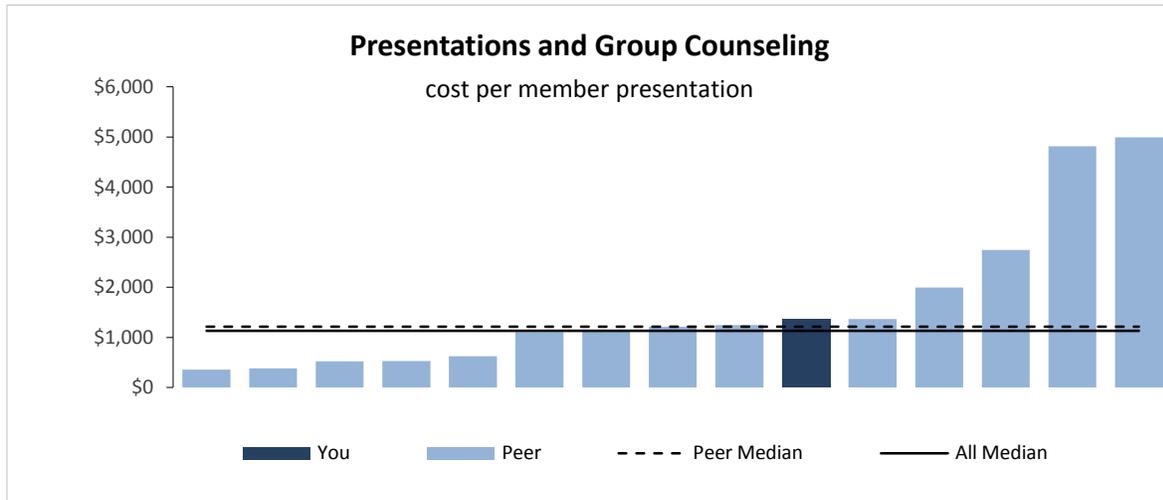
### 2. Mix of activity volume

Counseling in field locations is more costly than counseling in-house.

Activity Volume: % by Type	You	Peer Avg	Cost Impact
In-house	99%	60%	increasing
In the field	1%	37%	decreasing
Via teleconference	0%	3%	increasing
Total members counseled 1-on-1	100%	100%	

## 2D Presentations and Group Counseling

Your presentations and group counseling cost per member presentation was \$1,366.33. This was \$154.36 above the peer median of \$1,211.97. The biggest reason why was that you completed fewer member presentations per direct FTE (productivity).



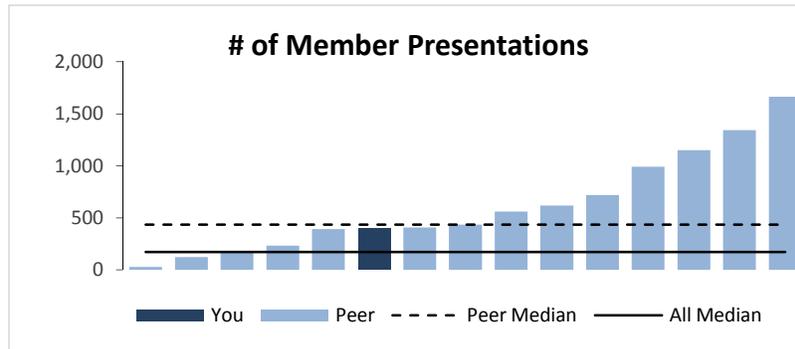
Reasons why your cost was above median	Comparison		Impact <sup>1</sup>
	You	Peer Median	\$s per Member Presentation
Lower salaries and benefits per direct FTE	\$69,237	\$81,895	-\$243.54
Fewer member presentations per direct FTE (productivity)	52	105	\$675.61
Lower third party costs per member presentation	\$34.18	\$155.34	-\$121.16
Unexplained <sup>1</sup>			-\$156.55
<b>Cost per member presentation</b>	<b>\$1,366.33</b>	<b>\$1,211.97</b>	<b>\$154.36</b>

1. Impact equals your activity cost minus what it would have been if your value had equaled the peer median. An unexplained amount occurs using this methodology (refer to page 5 of this section).

## 2D Presentations and Group Counseling - Factors that impact productivity

### 1. Economies of scale

You had an economy of scale disadvantage. Your 395 member presentations was 9% lower than the peer median of 434.



### 2. Mix of activity volume

Presentations and group counseling in field locations are more costly than in-house.

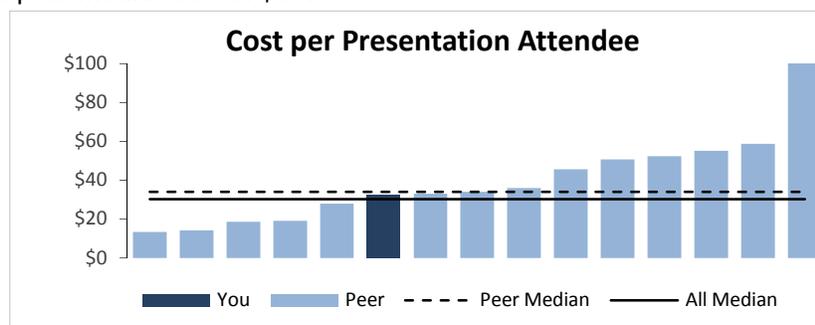
Presentations and Group Counseling by Location	You	Peer Avg	Cost Impact
In-house	16%	11%	
In the field	74%	76%	decreasing
Benefit fairs	10%	13%	
Total presentations and group counseling	100%	100%	

### 3. Additional work per member presentation

If you have more attendees per presentation, then the cost per attendee will be lower and the volume of member presentations per FTE will be higher. You had an average of 42 attendees per presentation, versus a peer average of 37.

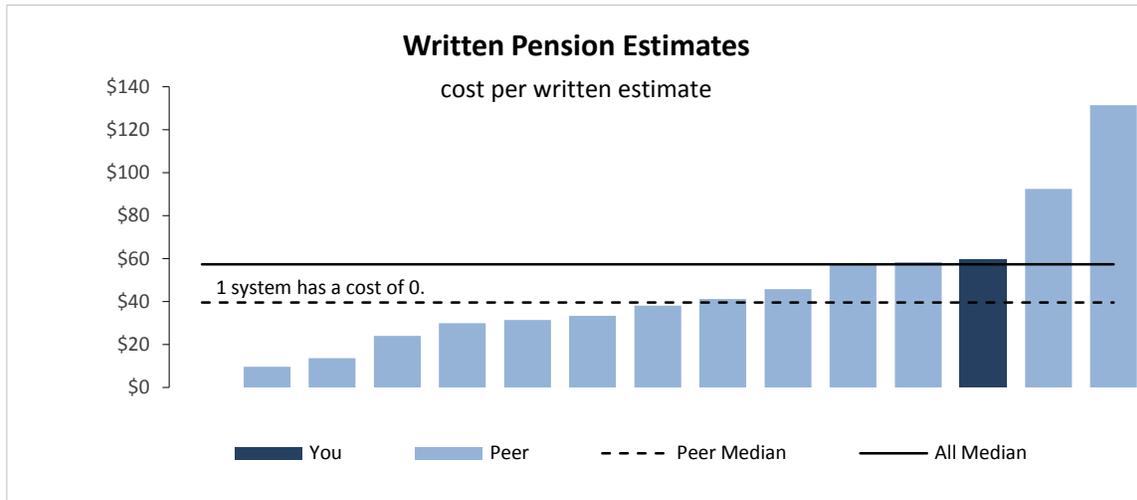
Causes of additional work	You	Peer Avg	Cost Impact
Average attendees per presentation	42	37	decreasing

An alternative way of analyzing this activity's cost is on a 'per attendee' basis. Your cost per presentation attendee was \$32. This was below the peer median cost of \$34.



## 2E Written Pension Estimates

Your written pension estimates cost per written estimate was \$59.80. This was \$20.14 above the peer median of \$39.66. The biggest reason why was that you completed fewer written estimates per direct FTE (productivity).



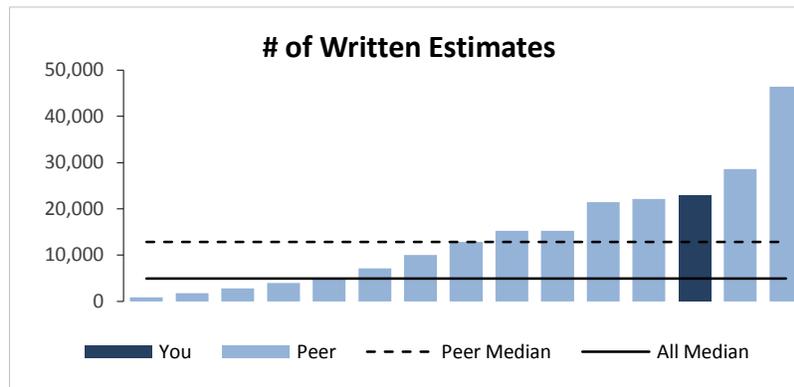
Reasons why your cost was above median	Comparison		Impact <sup>1</sup>
	You	Peer Median	\$s per Written Estimate
Lower salaries and benefits per direct FTE	\$69,359	\$74,926	-\$4.69
Fewer written estimates per direct FTE (productivity)	1,188	1,957	\$22.95
Higher third party costs per written estimate	\$1.41	\$0.99	\$0.41
Unexplained <sup>1</sup>			\$1.47
<b>Cost per written estimate</b>	<b>\$59.80</b>	<b>\$39.66</b>	<b>\$20.14</b>

1. Impact equals your activity cost minus what it would have been if your value had equaled the peer median. An unexplained amount occurs using this methodology (refer to page 5 of this section).

## 2E Written Pension Estimates - Factors that impact productivity

### 1. Economies of scale

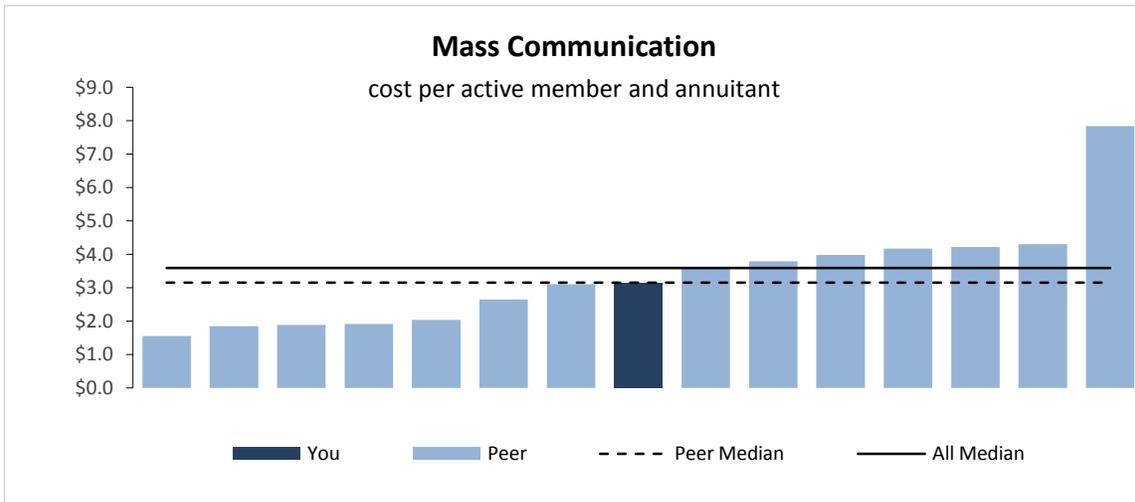
You had an economy of scale advantage. Your 22,806<sup>1</sup> written estimates was 77% higher than the peer median of 12,887.



1. Your number of estimates was adjusted because systems count estimates two different ways. When a member requests multiple different estimate scenarios, you count each scenario as an estimate whereas other systems count the 'multiple request' as a single estimate. Therefore, for comparability, we divided your total estimates of 22,806 by your average number of scenarios per request of 1.0.

## 2F Mass Communication

Your mass communication cost per active member and annuitant was \$3.15. This was equal to the peer median.



Reasons why your cost was equal to median	Comparison		Impact <sup>1</sup> \$s per Active Member and Annuitant
	You	Peer Median	
Lower salaries and benefits per direct FTE	\$77,200	\$85,245	-\$0.20
More direct FTE per 10,000 active members and annuitants (productivity) <sup>2</sup>	0.25	0.14	\$0.88
Lower third party costs per active member and annuitant	\$1.21	\$1.68	-\$0.47
Unexplained <sup>1</sup>			-\$0.20
<b>Cost per active member and annuitant</b>	<b>\$3.15</b>	<b>\$3.15</b>	<b>\$0.00</b>

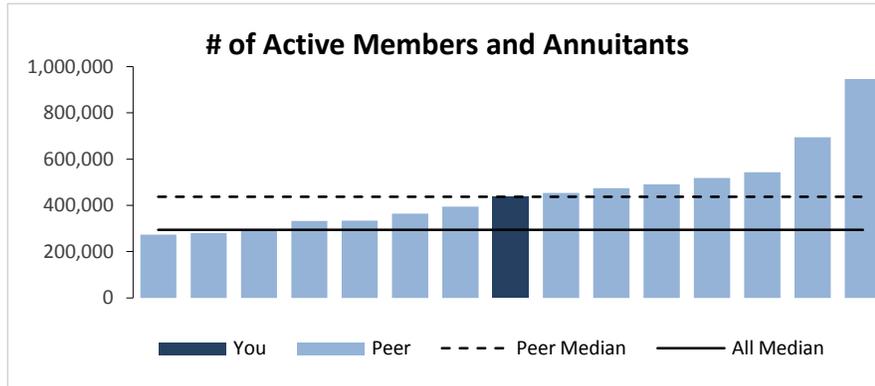
1. Impact equals your activity cost minus what it would have been if your value had equaled the peer median. An unexplained amount occurs using this methodology (refer to page 5 of this section).

2. You had 11.0 mass communication FTE which was 100% more than the peer median of 5.5. The percentage difference was more favorable on a 'per active members and annuitants' basis (your 0.25 mass communication FTE per 10,000 active members and annuitants was 83% more than the peer median of 0.14).

## 2F Mass Communication - Factors that impact productivity

### 1. Economies of scale

Your 436,844 active members and annuitants was the peer median. Thus the impact of economies of scale was minimized.

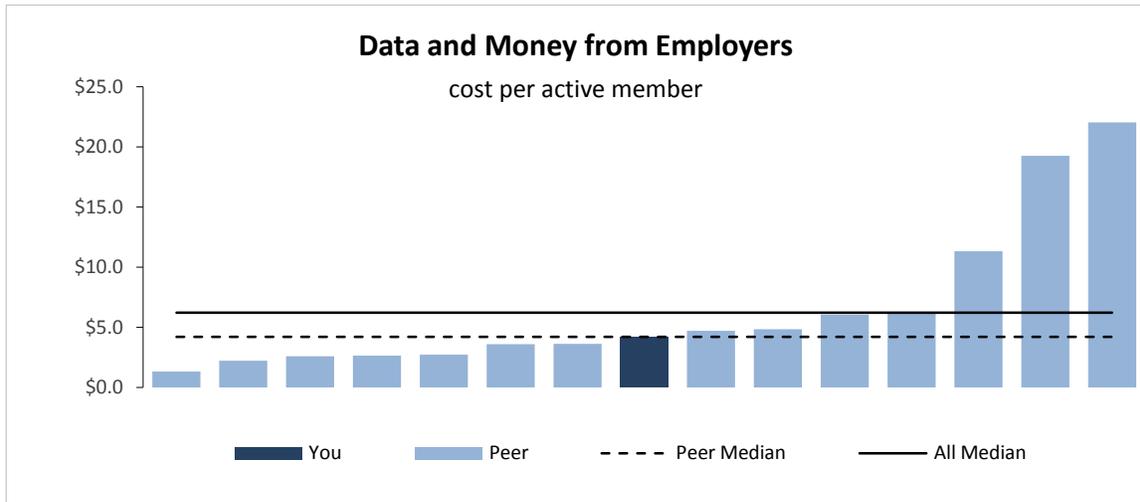


### 2. Additional mass communication work per active member and annuitant

Causes of additional work	You	Peer Avg	Cost Impact
Website Service Score (out of 100) - Generally, the higher the score, the more time communication staff spends on design and maintenance of the site.	22	72	decreasing
Times per year you send newsletters to:			
a) All members (active, inactive and annuitants)?	0.0	6.3	decreasing
b) Active members only?	0.0	5.7	decreasing
c) Inactive members only?	1.0	1.0	neutral
d) Annuitants only?	0.0	2.4	decreasing
e) Age segments (i.e., under 35, 35-50, 50 plus)?	0.0	3.0	decreasing
f) Women only or men only?	0.0	n/a	
g) Employer or employment category (i.e., a different newsletter for each)?	0.0	10.0	decreasing
h) Other? (describe your other newsletter segments below)	4.0	4.5	decreasing
% of newsletters mailed to active members' homes (versus email or distributing through employers)	0%	58%	decreasing
Times per year you send member statements to:			
a) Active members?	1.0	1.2	decreasing
b) Inactive members?	1.0	1.1	decreasing
% of member statements mailed to active members' homes	16%	54%	decreasing
Do you send:			
a) Annual report summary to members?	No	50%Yes	decreasing
c) Welcome kits to new members?	Yes	100%Yes	neutral
d) Brochure summarizing benefits to active members every year?	No	20%Yes	decreasing

### 3A Data and Money from Employers

Your data and money from employers cost per active member was \$4.21. This was equal to the peer median.



Reasons why your cost was equal to median	Comparison		Impact <sup>1</sup> \$s per Active Member
	You	Peer Median	
Lower salaries and benefits per direct FTE	\$67,325	\$77,778	-\$0.64
More direct FTE per 10,000 active members (productivity) <sup>2</sup>	0.36	0.32	\$0.28
Lower third party costs per active member	\$0.10	\$0.13	-\$0.04
Unexplained <sup>1</sup>			\$0.39
Cost per active member	\$4.21	\$4.21	\$0.00

1. Impact equals your activity cost minus what it would have been if your value had equaled the peer median. An unexplained amount occurs using this methodology (refer to page 5 of this section).

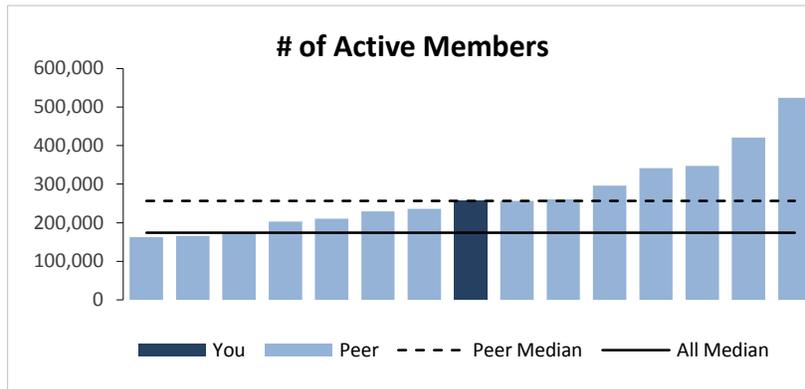
2. You had 15.7 data and money from employers FTE which was 44% more than the peer median of 10.9. The percentage difference was more favorable on a 'per active members' basis (your 0.36 data and money from employers FTE per 10,000 active members was 13% more than the peer median of 0.32).

CEM uses active members as the divisor of this activity's cost. For systems with few employers, active members is the better predictor of cost whereas for systems with numerous employers the number of employers is the better predictor. Therefore, on the following page we show the number of employers as a divisor to provide an alternate cost comparison.

### 3A Data and Money from Employers - Factors that impact productivity

#### 1. Economies of scale

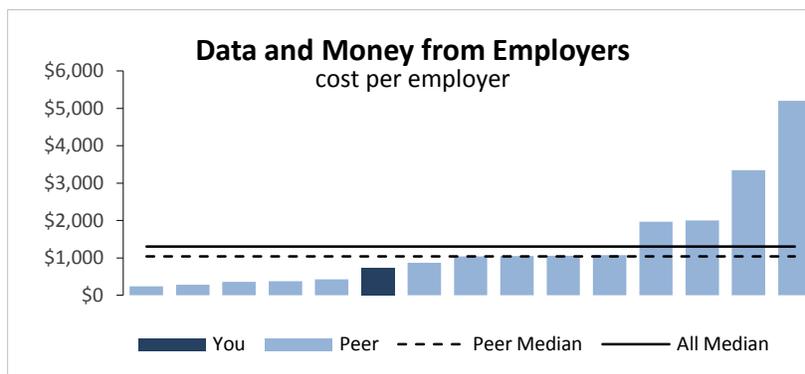
Your 256,788 active members was the peer median. Thus the impact of economies of scale was minimized.



#### 2. Additional data and money from employers work per active member

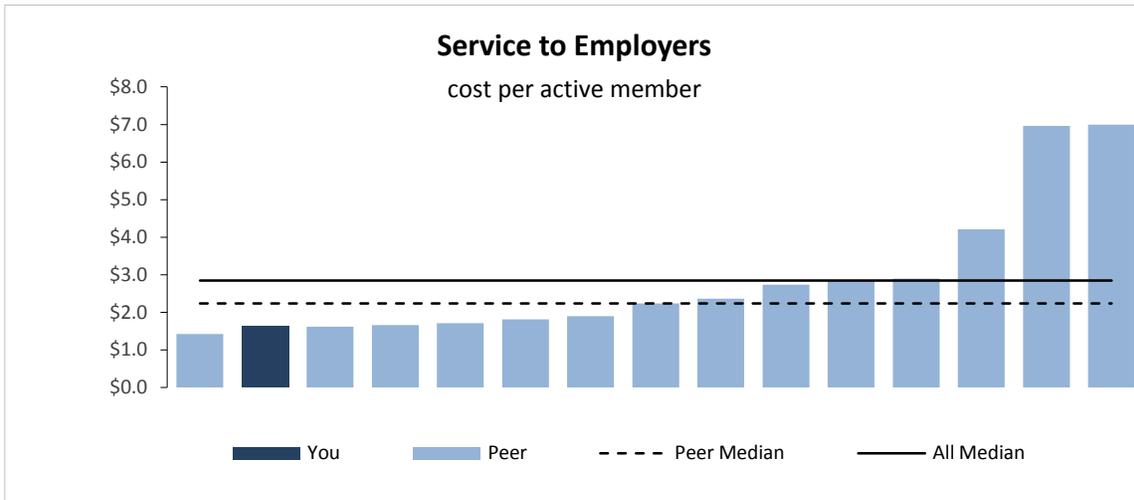
Causes of additional work	You	Peer Avg	Cost Impact
How many 'reconciliation points' (i.e., employers, state agencies, departments and/or service providers, etc.) do you deal with when:			
• Validating member data? (as a % of active members)	0.6%	0.6%	neutral
• Reconciling money issues? (as a % of active members)	0.6%	0.6%	neutral
Active members whose data is provided in paper format (as a % of active members)	0.0%	0.2%	decreasing
Status changes as a % of active members			
• New active members	7.4%	9.4%	decreasing
• Re-hired inactive members	1.2%	2.8%	decreasing
• Re-hired service retirees, if annuity stops	0.0%	0.0%	neutral
• Active members exiting to inactive or withdrawal	5.7%	7.2%	decreasing
• Active member service retirements	2.5%	2.9%	decreasing

#### 3. Alternate cost drivers: Data and money from employers cost per employer



### 3B Service to Employers

Your service to employers cost per active member was \$1.62. This was \$0.62 below the peer median of \$2.24. The biggest reason why was that you had lower salaries and benefits per direct FTE.



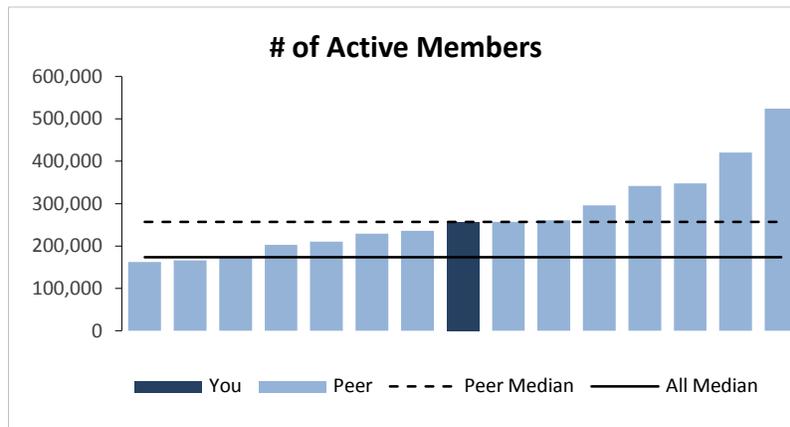
Reasons why your cost was below median	Comparison		Impact <sup>1</sup> \$s per Active Member
	You	Peer Median	
Lower salaries and benefits per direct FTE	\$64,000	\$83,926	-\$0.49
Equal direct FTE per 10,000 active members (productivity) <sup>2</sup>	0.14	0.14	\$0.05
Lower third party costs per active member	\$0.05	\$0.18	-\$0.13
Unexplained <sup>1</sup>			-\$0.04
<b>Cost per active member</b>	<b>\$1.62</b>	<b>\$2.24</b>	<b>-\$0.62</b>

1. Impact equals your activity cost minus what it would have been if your value had equaled the peer median. An unexplained amount occurs using this methodology (refer to page 5 of this section).
2. You had 6.3 service to employers FTE which was equal to the peer median of 6.3. The percentage difference was less favorable on a 'per active members' basis (your 0.14 service to employers FTE per 10,000 active members was equal to the peer median of 0.14).

## 3B Service to Employers - Factors that impact productivity

### 1. Economies of scale

Your 256,788 active members was the peer median. Thus the impact of economies of scale was minimized.

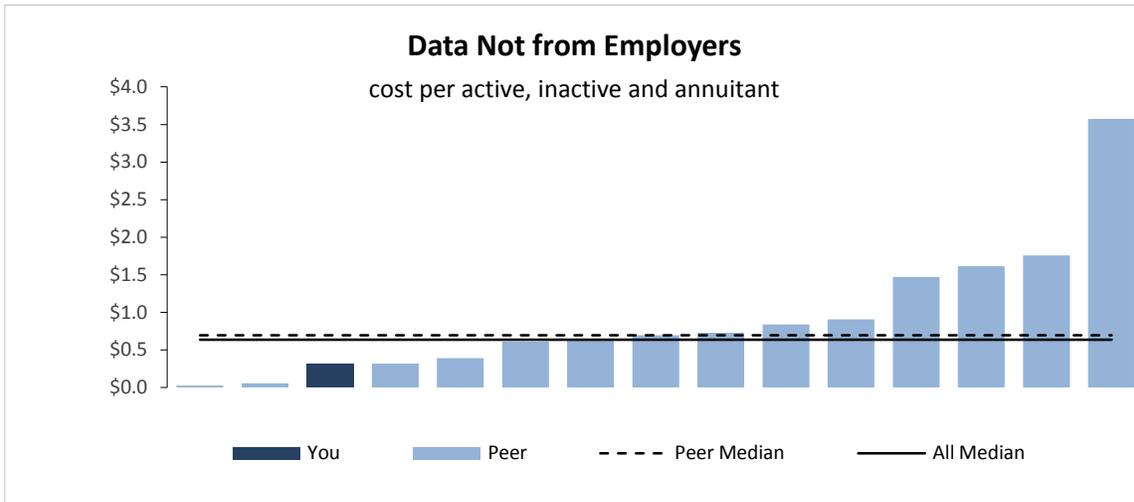


### 2. Additional service to employers work per active member

Causes of additional work	You	Peer Avg	Cost Impact
How many 'reconciliation points' (i.e., employers, state agencies, departments and/or service providers, etc.) do you deal with when:			
• Validating member data? (as a % of active members)	0.6%	0.6%	neutral
• Reconciling money issues? (as a % of active members)	0.6%	0.6%	neutral
Service transactions a % of active members:			
a) Incoming calls from employers?	3.5%	9.5%	decreasing
b) Email queries from employers?	0.1%	10.7%	decreasing
c) Conferences for employers?	0.0%	0.0%	neutral
d) Presentations given to employers such as orientation workshops or seminars on benefit changes, etc?	0.0%	0.0%	neutral
e) On-site reviews (or audits or inspections) of your employers? [For example, several systems perform reviews of their employers that have problems providing data and or contributions on a timely basis to ensure that they are correctly fulfilling their obligations to their members.]	0.0%	0.0%	neutral
f) Other site visits to employers [exclude 'd' and 'e' above]?	0.0%	0.0%	neutral

### 3C Data Not from Employers

Your data not from employers cost per active, inactive and annuitant was \$0.31. This was \$0.39 below the peer median of \$0.70. The biggest reason why was that you had fewer direct FTE per 10,000 actives, inactives, annuitants (productivity)<sup>2</sup>.



Reasons why your cost was below median	Comparison		Impact <sup>1</sup> \$s per Active, Inactive and Annuitant
	You	Peer Median	
Lower salaries and benefits per direct FTE	\$69,692	\$72,836	-\$0.01
Fewer direct FTE per 10,000 actives, inactives, annuitants (productivity) <sup>2</sup>	0.06	0.15	-\$0.64
Lower third party costs per active, inactive and annuitant	\$0.00	\$0.04	-\$0.03
Unexplained <sup>1</sup>			\$0.29
<b>Cost per active, inactive and annuitant</b>	<b>\$0.31</b>	<b>\$0.70</b>	<b>-\$0.39</b>

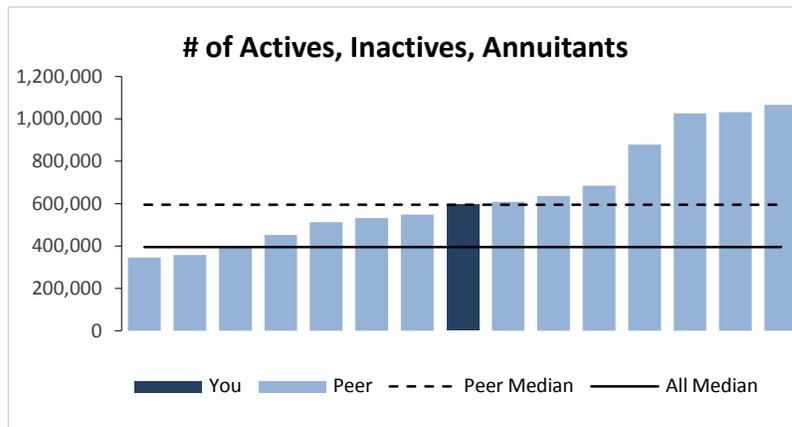
1. Impact equals your activity cost minus what it would have been if your value had equaled the peer median. An unexplained amount occurs using this methodology (refer to page 5 of this section).

2. You had 2.6 data not from employers FTE which was 53% less than the peer median of 5.5. The percentage difference was more favorable on a 'per actives, inactives, annuitants' basis (your 0.06 data not from employers FTE per 10,000 actives, inactives, annuitants was 61% less than the peer median of 0.15).

### 3C Data Not from Employers - Factors that impact productivity

#### 1. Economies of scale

Your 594,605 actives, inactives, annuitants was the peer median. Thus the impact of economies of scale was minimized.

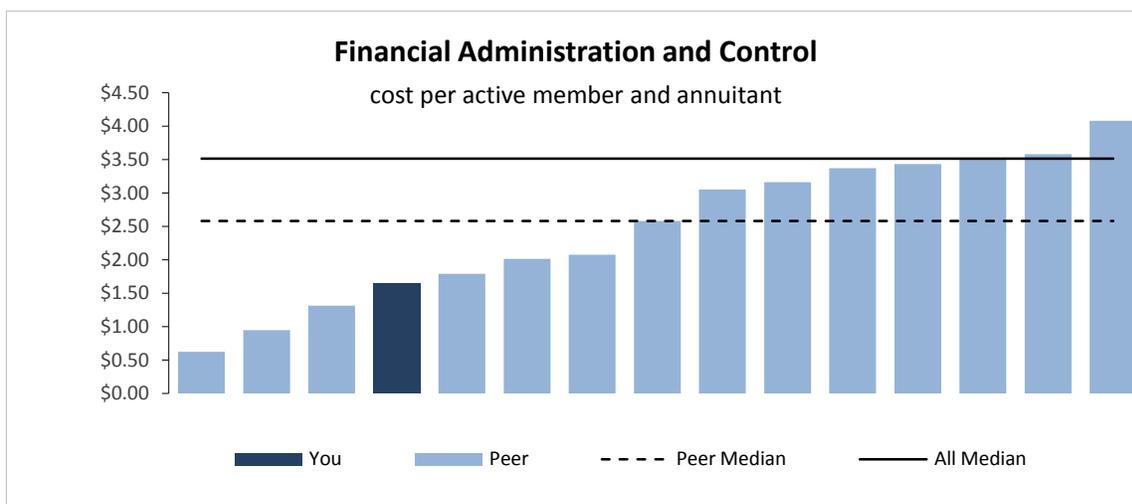


#### 2. Additional data not from employers work per active, inactive and annuitant

Causes of additional work	You	Peer Avg	Cost Impact
Do you actively keep track of the addresses of inactive members?	Yes	93%Yes	increasing
If yes, inactive members as a % of actives, inactives, annuitants	36.1%	42.4%	decreasing
Status changes as a % of actives, inactives, annuitants:			
• Deaths	0.2%	0.2%	neutral
• Non-death stops of annuities (i.e., dependent turns 21, term certain ends, etc.) [Exclude: re-hired annuitants]	0.0%	0.0%	neutral

## 4A Financial Administration and Control

Your financial administration and control cost per active member and annuitant was \$1.64. This was \$0.94 below the peer median of \$2.58.



Reasons why your cost was below median	Comparison		Impact <sup>1</sup> \$s per Active Member and Annuitant
	You	Peer Median	
Lower salaries and benefits per direct FTE	\$77,768	\$99,225	-\$0.47
Equal direct FTE per 10,000 active members and annuitants (productivity) <sup>2</sup>	0.22	0.22	\$0.00
Lower third party costs per active member and annuitant	\$0.20	\$0.29	-\$0.10
Unexplained <sup>1</sup>			-\$0.37
<b>Cost per active member and annuitant</b>	<b>\$1.64</b>	<b>\$2.58</b>	<b>-\$0.94</b>

1. Impact equals your activity cost minus what it would have been if your value had equaled the peer median. An unexplained amount occurs using this methodology (refer to page 5 of this section).

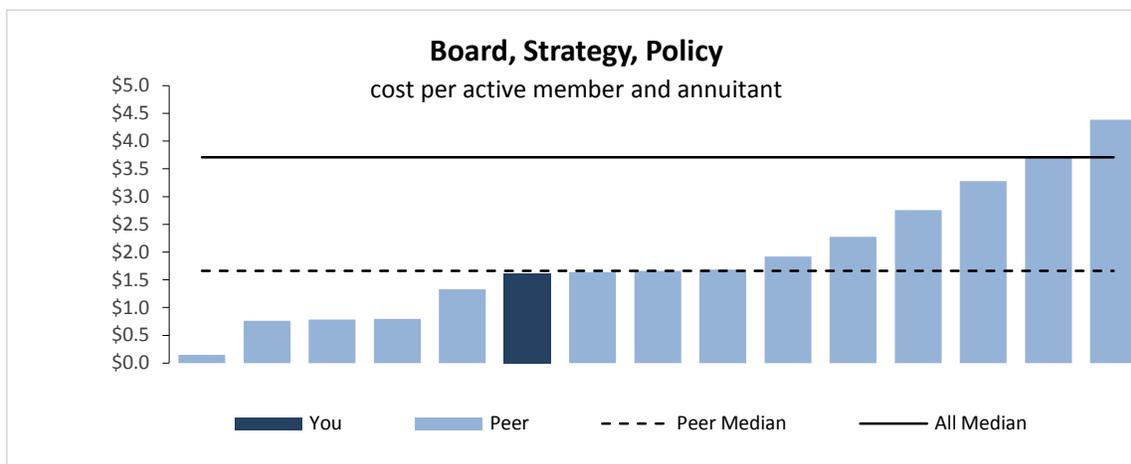
2. You had 9.5 financial administration and control FTE which was equal to the peer median of 9.5. The percentage difference was less favorable on a 'per active members and annuitants' basis (your 0.22 financial administration and control FTE per 10,000 active members and annuitants was equal to the peer median of 0.22).

Usually, the biggest reason for differences in this activity's cost is the number of financial administration and control FTE per 10,000 members. Two key reasons for differences in FTE per 10,000 (and/or third party costs) are:

- Economies of scale - Your 436,844 active members and annuitants was the peer median. Thus the impact of economies of scale was minimized.
- Doing more/less - For example, some systems have more extensive budgeting than others.

## 4B Board, Strategy, Policy

Your board, strategy, policy cost per active member and annuitant was \$1.62. This was \$0.04 below the peer median of \$1.66.



Reasons why your cost was below median	Comparison		Impact <sup>1</sup> \$s per Active Member and Annuitant
	You	Peer Median	
Lower salaries and benefits per direct FTE	\$77,526	\$143,890	-\$1.18
More direct FTE per 10,000 active members and annuitants (productivity) <sup>2</sup>	0.18	0.11	\$0.55
Higher third party costs per active member and annuitant	\$0.47	\$0.38	\$0.10
Unexplained <sup>1</sup>			\$0.49
<b>Cost per active member and annuitant</b>	<b>\$1.62</b>	<b>\$1.66</b>	<b>-\$0.04</b>

1. Impact equals your activity cost minus what it would have been if your value had equaled the peer median. An unexplained amount occurs using this methodology (refer to page 5 of this section).

2. You had 7.8 board, strategy, policy FTE which was 65% more than the peer median of 4.7. The percentage difference was less favorable on a 'per active members and annuitants' basis (your 0.18 board, strategy, policy FTE per 10,000 active members and annuitants was 66% more than the peer median of 0.11).

Usually, the biggest reason for differences in this activity's cost is the number of board, strategy, policy FTE per 10,000 members. Two key reasons for differences in FTE per 10,000 (and/or third party costs) are:

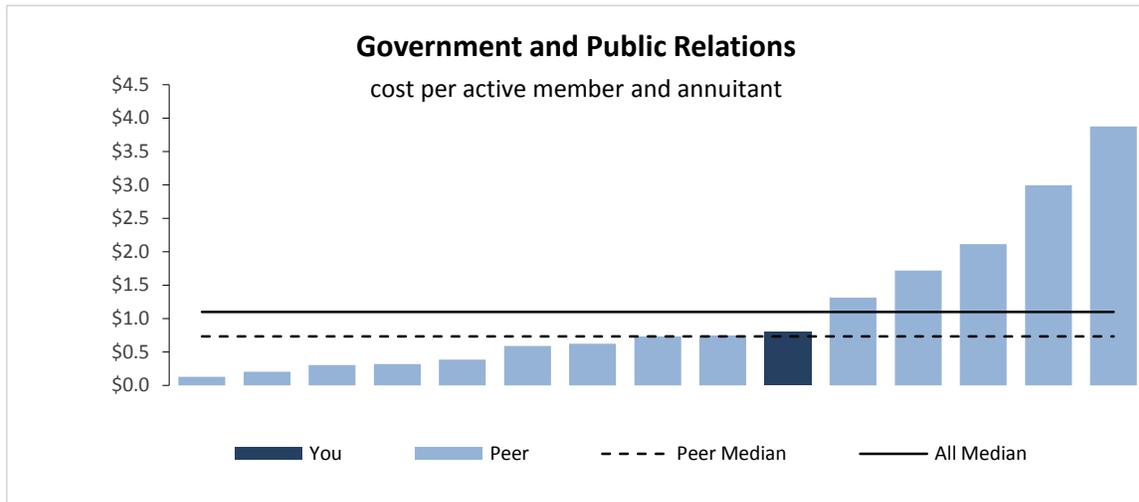
- Economies of scale - Your 436,844 active members and annuitants was the peer median. Thus the impact of economies of scale was minimized. Activity volume is a very important driver of productivity and costs.
- Doing more/less - For example, your 48 oversight meetings last year was above the peer median of 31.

# of meetings last year, including sub-committees	Peer		
	You	Median *	Peer Avg
a) Board of Trustees?	5	9	18.5
b) Non-board legislative oversight committee?	n/a	4	5.9
c) Advisory committee?	23	0	4.1
d) Members' Council?	4	0	0.3
e) Other?	16	0	2.5
<b>Total</b>	<b>48</b>	<b>31</b>	<b>31</b>

\* Peer medians will not add to the total. Only averages are additive.

## 4C Government and Public Relations

Your government and public relations cost per active member and annuitant was \$0.79. This was \$0.06 above the peer median of \$0.73.



Reasons why your cost was above median	Comparison		Impact <sup>1</sup> \$s per Active Member and Annuitant
	You	Peer Median	
Higher salaries and benefits per direct FTE	\$117,148	\$115,481	\$0.01
Equal direct FTE per 10,000 active members and annuitants (productivity) <sup>2</sup>	0.06	0.06	\$0.00
Higher third party costs per active member and annuitant	\$0.19	\$0.06	\$0.12
Unexplained <sup>1</sup>			-\$0.07
<b>Cost per active member and annuitant</b>	<b>\$0.79</b>	<b>\$0.73</b>	<b>\$0.06</b>

1. Impact equals your activity cost minus what it would have been if your value had equaled the peer median. An unexplained amount occurs using this methodology (refer to page 5 of this section).

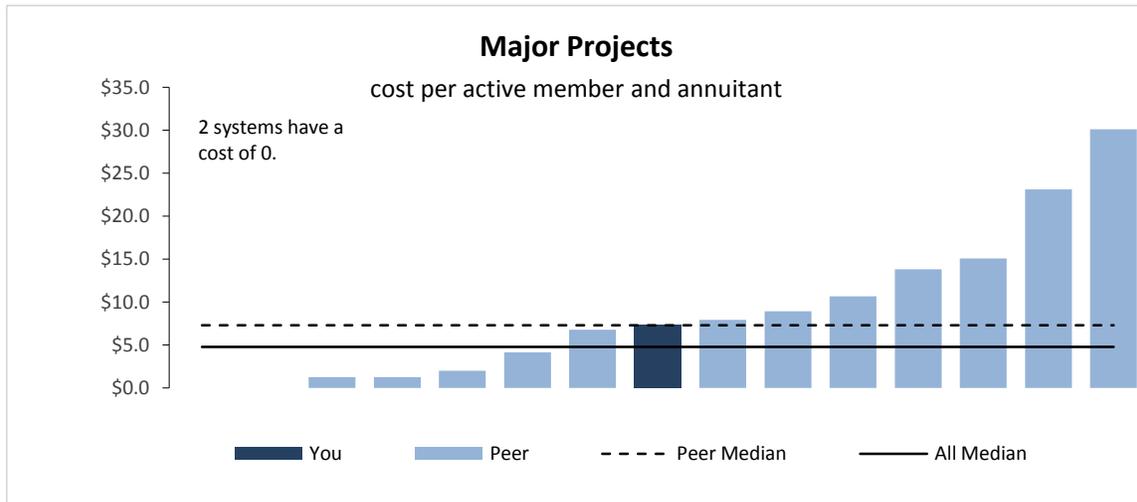
2. You had 2.7 government and public relations FTE which was 17% more than the peer median of 2.3. The difference changes direction and was more favorable on a 'per active members and annuitants' basis (your 0.06 government and public relations FTE per 10,000 active members and annuitants was equal to the peer median of 0.06).

Usually, the biggest reason for differences in this activity's cost is the number of government and public relations FTE per 10,000 members. Two key reasons for differences in FTE per 10,000 (and/or third party costs) are:

- Economies of scale - Your 436,844 active members and annuitants was the peer median. Thus the impact of economies of scale was minimized.
- Doing more/less - For example, some systems do not have any government relations staff.

## 5A-D Major Projects

Your major projects cost per active member and annuitant was \$7.31. This was equal to the peer median. This comparison includes both '5A and 5C Amortized major projects' plus '5B and 5D Major Projects (if you don't capitalize)'.

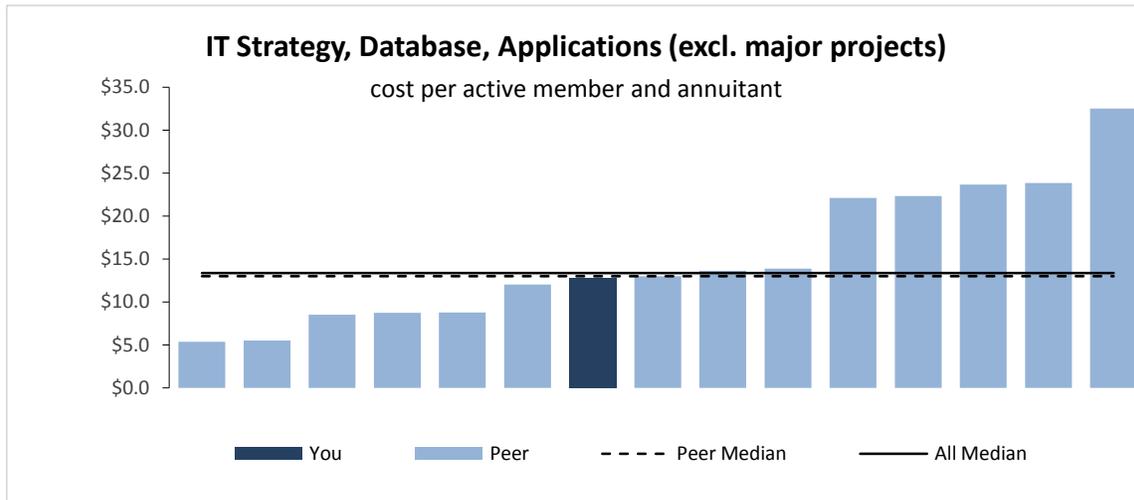


Reasons for differences in the cost for major projects include:

- Economies of scale - Scale is particularly important for major projects because of the substantial fixed costs of developing the IT infrastructure necessary for pension systems to operate. Your 436,844 active members and annuitants was the peer median. Thus the impact of economies of scale was minimized. But your largest peers still had more members over which to spread their major projects costs and your smallest peers had fewer members.
- Plan complexity - It is more expensive to develop and maintain IT systems for plans with complex rule sets. Your total plan complexity score was 100 out of 100. This was above the peer median of 70.
- IT investment cycle - If you recently upgraded your IT systems, then your amortization costs will be higher than a system that has not upgraded their IT systems since 1990.
- Capitalization - Systems that do not capitalize major project costs will have more variable major project costs. Systems that only recently started capitalizing major projects costs will have lower costs than systems that have been capitalizing for a long time.

## 6A IT Strategy, Database Management and Applications (excl. major projects)

Your IT strategy, database, applications (excl. major projects) cost per active member and annuitant was \$12.81. This was \$0.22 below the peer median of \$13.03. The biggest reason why was that you had lower salaries and benefits per direct FTE.



Reasons why your cost was below median	Comparison		Impact <sup>1</sup> \$s per Active Member and Annuitant
	You	Peer Median	
Lower salaries and benefits per direct FTE	\$60,800	\$117,771	-\$5.02
More direct FTE per 10,000 active members and annuitants <sup>2</sup>	0.88	0.85	\$0.21
Higher third party costs per active member and annuitant	\$11.70	\$5.07	\$6.63
Unexplained <sup>1</sup>			-\$2.04
<b>Cost per active member and annuitant</b>	<b>\$12.81</b>	<b>\$13.03</b>	<b>-\$0.22</b>

1. Impact equals your activity cost minus what it would have been if your value had equaled the peer median. An unexplained amount occurs using this methodology (refer to page 5 of this section).

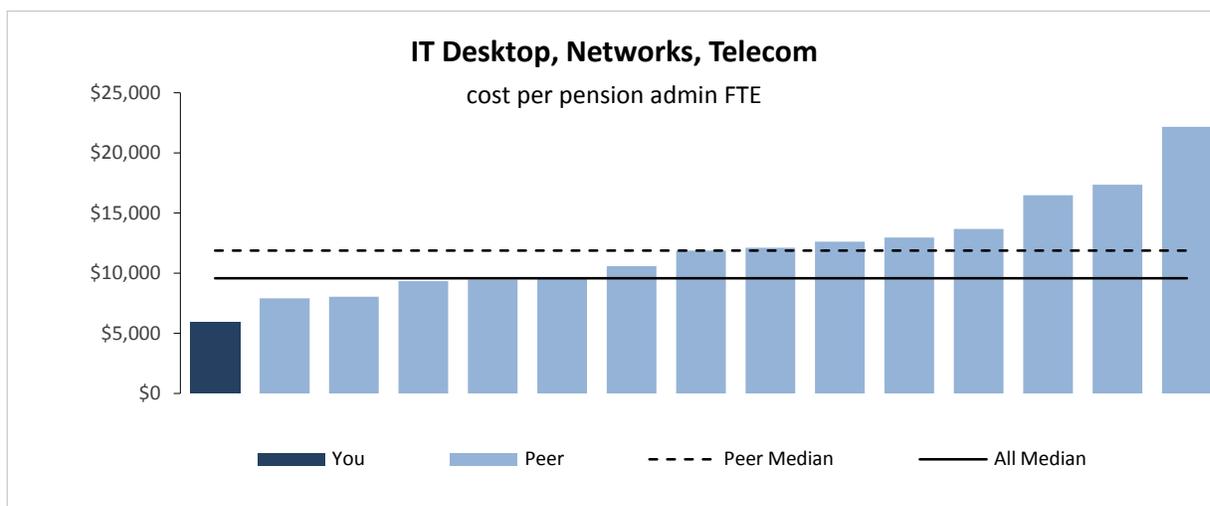
2. You had 38.5 IT strategy, database, applications (excl. major projects) FTE which was 0.2% more than the peer median of 38.4. The percentage difference was less favorable on a 'per active member and annuitant' basis (your 0.88 FTE per 10,000 active member and annuitant was 4% more than the peer median of 0.85) because you had an economy of scale equal to.

Three key reasons for differences in FTE per 10,000 (and/or third party costs) are:

- Economies of scale - Scale is particularly important for IT strategy, database, applications (excl. major projects) because of the substantial fixed costs of maintaining the IT infrastructure necessary for pension systems to operate. Your 436,844 active members and annuitants was the peer median. Thus the impact of economies of scale was minimized. But your largest peers still had more members over which to spread their IT strategy, database, applications (excl. major projects) costs and your smallest peers had fewer members.
- Plan complexity - It is more expensive to develop and maintain IT systems for plans with complex rule sets. Your total plan complexity score was 100 out of 100. This was above the peer median of 70.
- IT investment cycle

## 6B IT Desktop, Networks, Telecom

Your IT desktop, networks, telecom cost per pension admin FTE was \$5,952.46. This was \$5,939.69 below the peer median of \$11,892.15.



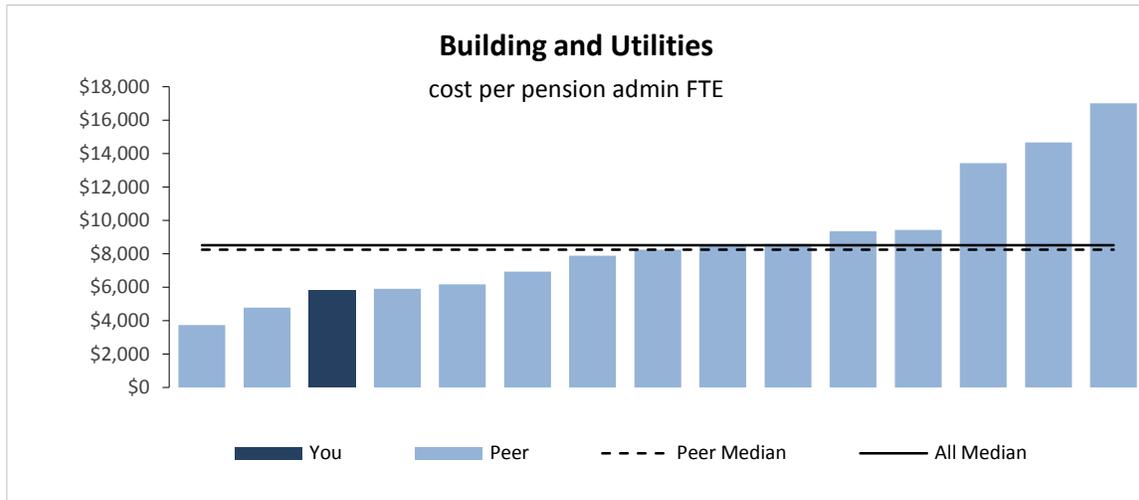
Reasons why your cost was below median	Comparison		Impact <sup>1</sup> \$s per Pension Admin FTE
	You	Peer Median	
Lower salaries and benefits per direct FTE	\$75,500	\$103,877	-1,107
Fewer direct FTE per 100 pension admin FTE <sup>2</sup>	3.90	4.53	-475
Lower third party costs per pension admin FTE	\$3,895	\$6,129	-2,234
Unexplained <sup>1</sup>			-2,125
<b>Cost per pension admin FTE</b>	<b>\$5,952</b>	<b>\$11,892</b>	<b>-\$5,940</b>

1. Impact equals your activity cost minus what it would have been if your value had equaled the peer median. An unexplained amount occurs using this methodology (refer to page 5 of this section).

2. You had 10.2 IT desktop, networks, telecom FTE which was 22% less than the peer median of 13.0. The percentage difference was less favorable on a 'per pension admin FTE' basis (your 3.90 IT desktop, networks, telecom FTE per 100 pension admin FTE was 14% less than the peer median of 4.53).

## 7A Building and Utilities

Your building and utilities cost per pension admin FTE was \$5,792.07. This was \$2,467.18 below the peer median of \$8,259.25.



Reasons why your cost was below median	Comparison		Impact <sup>1</sup> \$s per Pension Admin FTE
	You	Peer Median	
Lower salaries and benefits per direct FTE	\$61,235	\$79,750	-\$120
Equal direct FTE per 100 pension admin FTE <sup>2</sup>	0.65	0.65	-\$2
Lower third party costs per pension admin FTE	\$6,257	\$7,526	-\$1,270
Unexplained <sup>1</sup>			-\$1,075
<b>Cost per pension admin FTE</b>	<b>\$5,792</b>	<b>\$8,259</b>	<b>-\$2,467</b>

1. Impact equals your activity cost minus what it would have been if your value had equaled the peer median. An unexplained amount occurs using this methodology (refer to page 5 of this section).

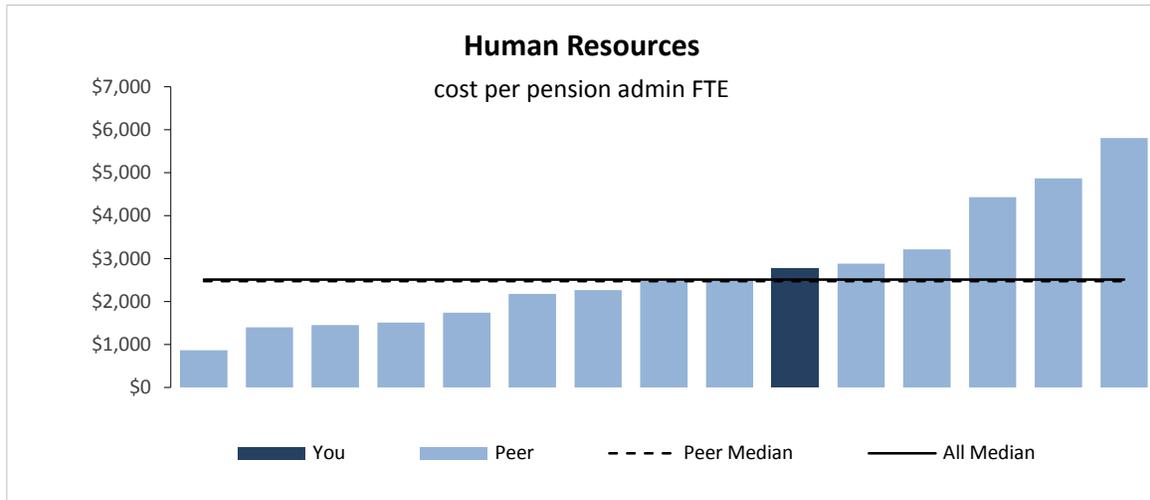
2. You had 1.7 building and utilities FTE which was equal to the peer median of 1.7. The percentage difference was more favorable on a 'per pension admin FTE' basis (your 0.65 FTE per 100 pension admin FTE was equal to the peer median of 0.65) because you had an economy of scale advantage.

The biggest reason for differences in building cost is usually differences in third party and other costs (i.e., rent, lease, building and office depreciation, utilities). Reasons why these costs differ include:

- Quality of the building
- Non-market pricing on property provided by the government
- Cost environment
- Square feet of workspace per FTE

## 7B Human Resources

Your human resources cost per pension admin FTE was \$2,765.44. This was \$289.89 above the peer median of \$2,475.55.



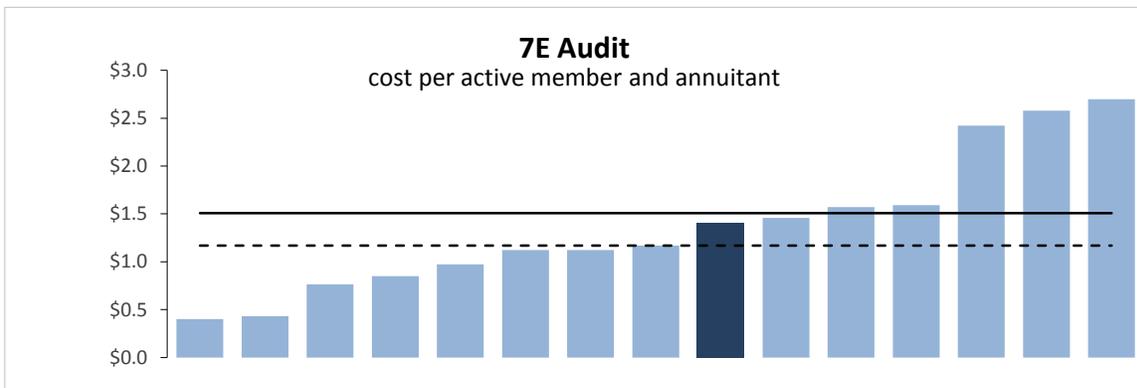
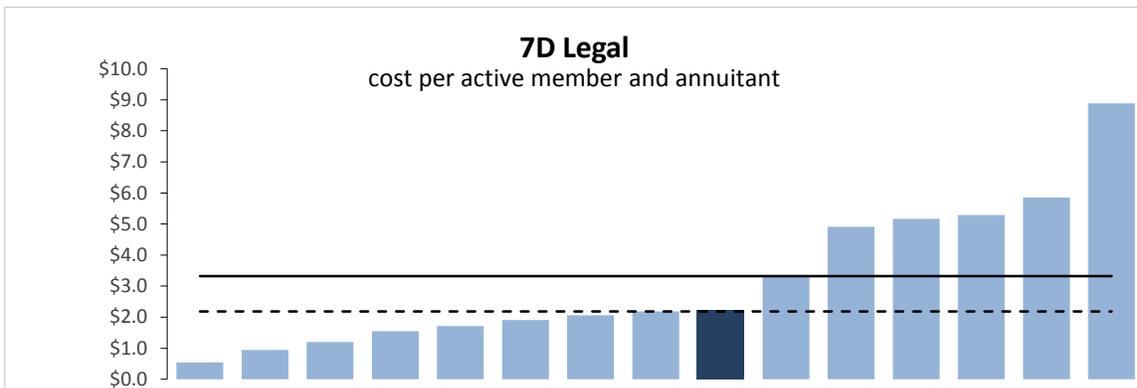
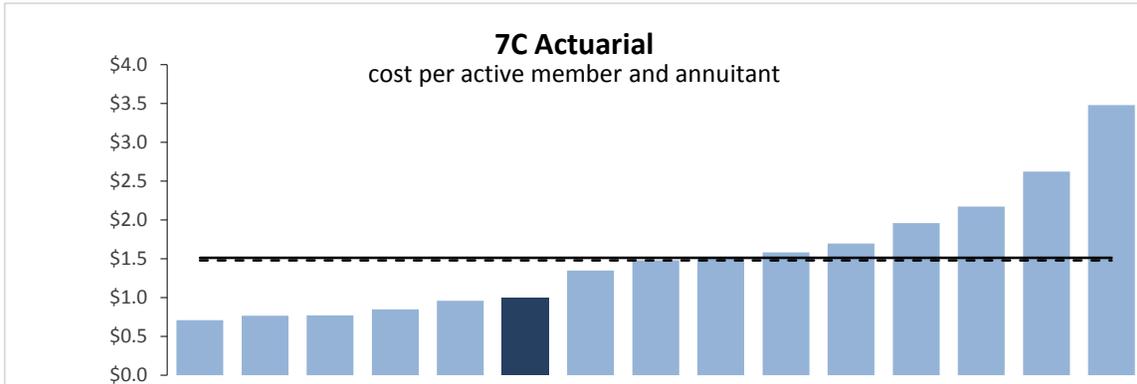
Reasons why your cost was above median	Comparison		Impact <sup>1</sup> \$s per Pension Admin FTE
	You	Peer Median	
Lower salaries and benefits per direct FTE	\$63,085	\$95,222	-\$1,007.42
More direct FTE per 100 pension admin FTE <sup>2</sup>	3.13	2.49	\$406.52
Higher third party costs per pension admin FTE	\$1,200	\$551	\$648.24
Unexplained <sup>1</sup>			\$241.65
<b>Cost per pension admin FTE</b>	<b>\$2,765</b>	<b>\$2,476</b>	<b>\$289.00</b>

1. Impact equals your activity cost minus what it would have been if your value had equaled the peer median. An unexplained amount occurs using this methodology (refer to page 5 of this section).
2. You had 8.2 human resources FTE which was 52% more than the peer median of 5.4. The percentage difference was more favorable on a 'per pension admin FTE' basis (your 3.13 FTE per 100 pension admin FTE was 26% more than the peer median of 2.49) because you had an economy of scale advantage.

## 7C-E Professional Costs

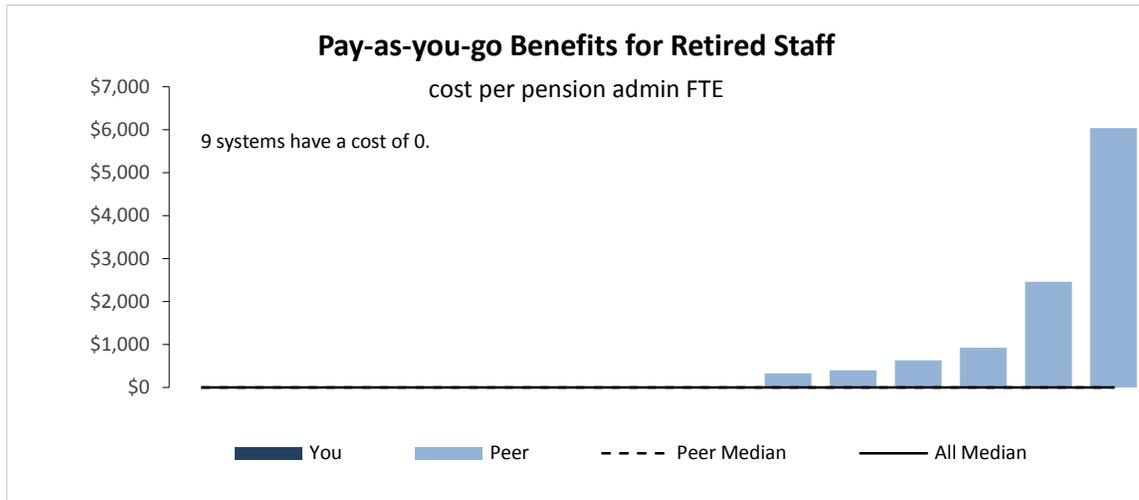
Your cost for activity:

- Your actuarial cost per active member and annuitant was \$1.00. This was \$0.48 below the peer median of \$1.48
- Your legal cost per active member and annuitant was \$2.21. This was \$0.02 above the peer median of \$2.19
- Your audit cost per active member and annuitant was \$1.41. This was \$0.24 above the peer median of \$1.17



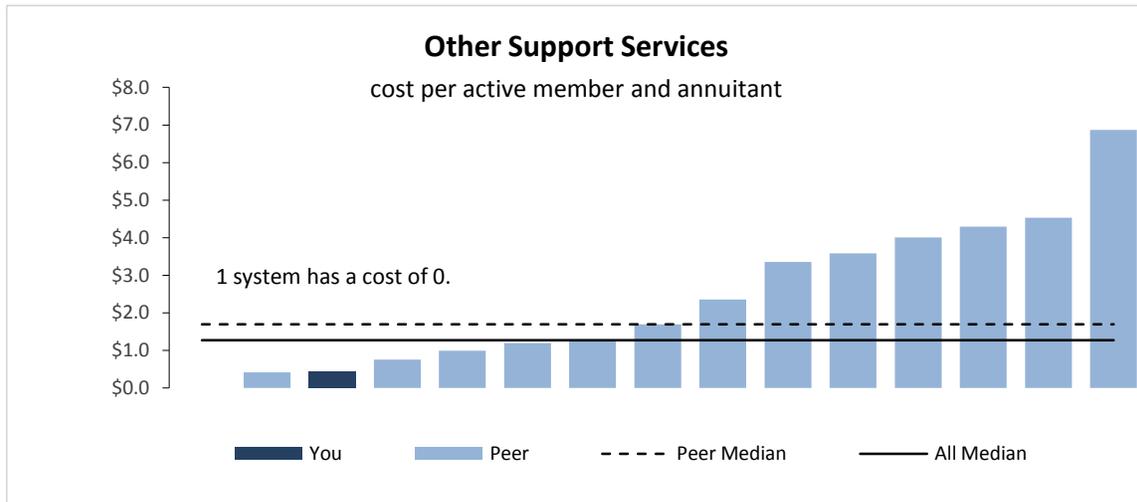
## 7F Pay-as-you-go benefits for retired staff

You have no cost for this activity. The peer median cost was \$0.00.



## 7G Other Support Services

Your other support services cost per active member and annuitant was \$0.43. This was \$1.27 below the peer median of \$1.70. The biggest reason why was that you had fewer direct FTE per 10,000 active members and annuitants<sup>2</sup>.



Reasons why your cost was below median	Comparison		Impact <sup>1</sup> \$s per Active Member and Annuitant
	You	Peer Median	
Lower salaries and benefits per direct FTE	\$61,320	\$76,696	-\$0.09
Fewer direct FTE per 10,000 active members and annuitants <sup>2</sup>	0.1	0.1	-\$0.54
Lower third party costs per active member and annuitant	\$0.15	\$0.39	-\$0.25
Unexplained <sup>1</sup>			-\$0.39
<b>Cost per active member and annuitant</b>	<b>\$0.43</b>	<b>\$1.70</b>	<b>-\$1.27</b>

1. Impact equals your activity cost minus what it would have been if your value had equaled the peer median. An unexplained amount occurs using this methodology (refer to page 5 of this section).

2. You had 2.5 other support services FTE which was 56% less than the peer median of 5.7. The percentage difference was more favorable on a 'per active member and annuitant' basis (your 0.06 other support services FTE per 10,000 active member and annuitant was 61% less than the peer median of 0.15).

Three key reasons for differences in FTE per 10,000 (and/or third party costs) are:

- Economies of scale - Scale is particularly important for other support services because of the substantial fixed costs of maintaining the IT infrastructure necessary for pension systems to operate. Your 436,844 active members and annuitants was the peer median. Thus the impact of economies of scale was minimized. But your largest peers still had more members over which to spread their other support services costs and your smallest peers had fewer members.
- Plan complexity - It is more expensive to develop and maintain IT systems for plans with complex rule sets. Your total plan complexity score was 100 out of 100. This was above the peer median of 70.
- IT investment cycle

## Alternative comparison: Fully-attributed front-office activity costs

An alternative way of analyzing and comparing activity costs is by attributing 100% of back office costs (i.e., governance and financial control, major projects, IT, and support services and other) to the front office activities. Front office activities are the activities that come in contact with clients or employers, such as paying pensions, pension inceptions, and member calls. The methodology used to calculate fully-attributed costs is shown on the following page.

In 2010, CEM shifted the focus of its analysis from fully-attributed activity costs to direct activity costs because:

- Front-office managers did not recognize or trust the fully attributed costs.
- It is impossible to ensure consistency in attribution methodology for IT and major project costs. Therefore, differences in fully-attributed costs often reflected differences in attribution methodology.
- Reasons for differences in fully-attributed costs were often hidden and repetitive. For example, unusually high building and utilities costs could become a recurring reason for differences in all fully-attributed costs.

Fully-Attributed Activity Costs (\$s per unit of activity volume)																
Activity	Cost per:	You	Peer							All						
			Avg	Max	Q3	Med	Q1	Min	#	Avg	Max	Q3	Med	Q1	Min	#
<b>1. Member Transactions</b>																
a. Pension Payments	annuitant	26	19	54	19	15	13	5	15	31	383	31	18	12	2	55
b. Pension Inceptions	new payee inception	485	516	1,599	547	411	305	163	15	614	1,836	826	485	260	68	55
c. Withdrawals and Transfers-out	withdrawal and transfer-out	487	280	1,144	417	125	96	10	15	847	10,127	702	249	108	0	54
d. Purchases and Transfers-in	purchase and transfer-in	429	596	1,654	872	429	322	165	15	998	8,267	1,071	530	320	0	54
e. Disability	disability application	1,248	3,018	8,358	3,849	2,921	1,089	661	15	4,513	25,636	5,419	2,719	955	389	39
<b>2. Member Communication</b>																
a. Call Center	call and email	14	24	93	26	20	14	10	15	28	144	33	19	12	0	55
b. Mail Room, Imaging	incoming mail	13	14	38	16	13	10	3	15	19	170	21	13	6	0	55
c. 1-on-1 Counseling	member counseled 1-on-1	233	243	597	273	233	163	67	15	289	3,788	313	155	103	0	53
d. Presentations and Group Counseling	member presentation	2,283	3,791	13,787	3,381	2,283	1,410	576	15	3,239	13,787	3,492	2,308	1,142	0	53
e. Written Pension Estimates	written estimate	100	123	358	165	111	63	0	15	342	4,253	311	134	67	0	55
f. Mass Communication	active member and annuitant	4	6	13	8	5	4	3	15	7	28	10	7	4	0	55
<b>3. Collections and Data Maintenance</b>																
a. Data and Money from Employers	active member	7	18	64	20	13	7	4	15	28	156	33	16	10	1	55
b. Service to Employers	active member	3	8	17	9	6	4	3	15	9	61	11	7	4	0	55
c. Data Not from Employers	active, inactive and annuitant	1	2	8	3	2	1	0	15	4	36	4	2	1	0	55
<b>Total Pension Administration</b>	active member and annuitant	66	90	203	102	83	64	54	15	119	434	129	102	67	10	55
<b>Non-Pension</b>																
1f. Healthcare Administration	annuitant	28	16	61	30	3	0	0	15	9	127	3	0	0	0	48
1g. Optional and Third Party Administered Benefits	active member	5	6	27	8	4	0	0	15	3	27	4	0	0	0	48

## Calculation of fully-attributed front-office costs

(Fully-attributed costs are compared in the alternative comparison on the previous page)

Activity	Direct Staff (# FTE)	Direct Costs (Salaries + Third Party)	Attributions <sup>1</sup>				Fully-Attributed		
			5. Major Projects	6a IT Strategy, DB Mgmt, Appli-cations	6b + 7a - g Support Services and Other	4. Governance & Financial Control	Cost per \$000s	Cost per unit <sup>3</sup>	Cost per Active Member and Annuitant
<b>1. Member Transactions</b>									
a. Pension Payments	14.0	1,336	964	1,689	465	201	4,656	26	10.66
b. Pension Inceptions	16.3	1,061	1,114	1,953	542	235	4,905	485	11.23
c. Withdrawals and Transfers-out	6.1	431	424	743	203	88	1,888	487	4.32
d. Purchases and Transfers-in	1.1	83	75	132	37	16	342	429	0.78
e. Disability	9.0	859	615	1,078	299	130	2,981	1,248	6.82
f. Healthcare Administration	15.6	1,411	1,059	1,857	519	225	5,070	28	11.61
g. Optional and Third Party Administered Benefits	8.7	840	0	0	289	125	1,254	5	2.87
<b>2. Member Communication</b>									
a. Call Center	24.9	1,590	0	0	828	358	2,776	14	6.35
b. Mail Room, Imaging	18.1	1,302	0	0	602	260	2,164	13	4.95
c. 1-on-1 Counseling	11.3	798	0	0	376	163	1,337	233	3.06
d. Presentations and Group Counseling	7.6	540	0	0	253	109	902	2,283	2.06
e. Written Pension Estimates	19.2	1,364	0	0	638	276	2,278	100	5.22
f. Mass Communication	11.0	1,378	0	0	366	158	1,902	4	4.35
<b>3. Collections and Data Maintenance</b>									
a. Data and Money from Employers	15.7	1,082	0	0	522	226	1,829	7	4.19
b. Service to Employers	6.3	416	0	0	209	91	716	3	1.64
c. Data Not from Employers	2.6	184	0	0	86	37	308	1	0.70
<b>4. Governance and Financial Control</b>									
a. Financial Administration and Control	9.5	824	0	0	316	-1,140	0		
b. Board, Strategy, Policy	7.8	812	0	0	259	-1,071	0		
c. Government and Public Relations	2.7	398	0	0	90	-487	0		
<b>5. Major Projects</b>									
a. Amortization of non-IT Major Projects	n/a	0	0				0		
b. Non-IT Major Projects (if you don't capitalize)	17.4	2,268	-2,268				0		
c. Amortization of IT Major Projects	n/a	141	-141				0		
d. IT Major Projects (if you don't capitalize)	10.1	1,842	-1,842				0		
<b>6. Information Technology</b>									
a. IT Strategy, Database, Applications (excl. major)	38.5	7,452		-7,452			0		
b. IT Desktop, Networks, Telecom	10.2	1,789			-1,789		0		
<b>7. Support Services and Other</b>									
a. Building and Utilities	1.7	1,741			-1,741		0		
b. Human Resources	8.2	831			-831		0		
c. Actuarial	0.0	501			-501		0		
d. Legal and Rule Interpretation	10.5	1,112			-1,112		0		
e. Internal and External Audit	3.0	708			-708		0		
f. Pay-as-you-go Benefits for Retired Staff	n/a	0			0		0		
g. Other Support Services	2.5	217			-217		0		
<b>Total Administration</b>	<b>309.6</b>	<b>35,309</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>35,309</b>		<b>80.83</b>
less: <sup>2</sup>									
1f. Healthcare Administration							-5,070		-11.61
1g. Optional and Third Party Administered Benefits							-1,254		-2.87
<b>Total Pension Administration</b>							<b>28,984</b>		<b>66.35</b>

1. Attributions of activities 5a-d and 6a are per your survey responses. Attributions of activities 6b and 7a-g are pro rata based on direct FTE (unless you provided the attributions yourself). Similarly attributions of activity 4 is done pro rata based on direct FTE.

2. The fully-attributed costs of activities 1f and 1g are excluded from pension administration costs to ensure comparability.

3. Units vary by activity. Units are described in the second column on the previous page.

# Staff Costs and Productivity

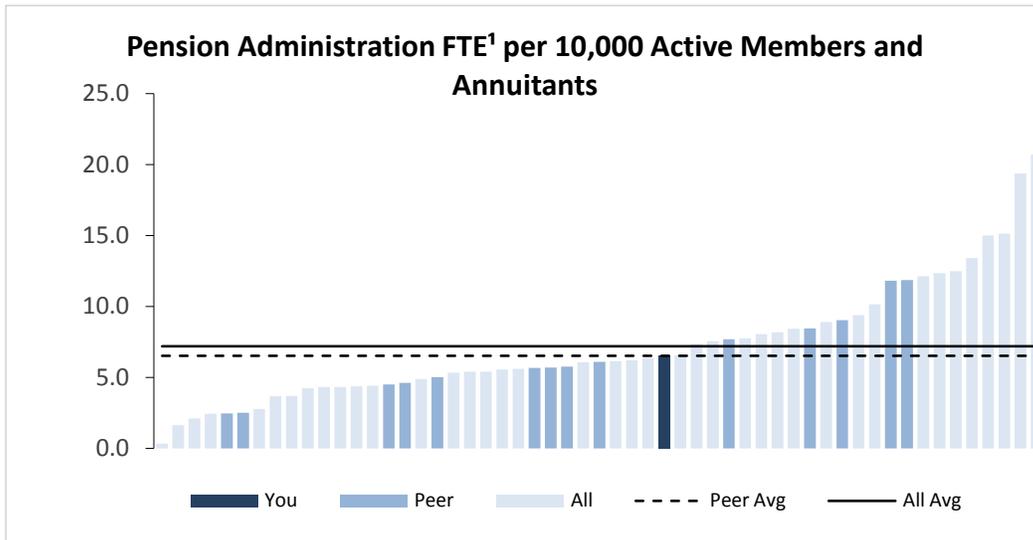
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This section includes comparisons to your peers, in aggregate and by activity, of:

- Full-time-equivalent staff (FTE) per member
- Salary and benefits per FTE
- Productivity (transaction volumes per FTE)

## Total FTE

Differences in the number of full-time-equivalent staff (FTE) used to serve members is a key reason for differences in costs between similarly organized systems. Generally the more FTE you use to serve members, the higher your costs. You had 6.53 pension administration FTE<sup>1</sup> per 10,000 members. This was above the peer average of 6.51.



1. Pension administration FTE excludes: FTE whose salaries are being capitalized, FTE administering healthcare and FTE administering optional benefits.

Reasons for differences in total FTEs used to serve members include differences in:

- Outsourcing. For example, if you outsource legal or actuarial work, you will have fewer FTE than systems that do this work using internal staff.
- Transactions volumes, which in turn are caused by differences in:
  - Services provided. For example, some plans do not offer financial planning.
  - Member mix and demographics. For example, active members generate more transactions than inactive members.
- Productivity (i.e., transaction volumes per FTE) which in turn is caused by differences in:
  - Service levels, for example, shorter wait times may require more staff
  - Staff skills and productivity
  - Organizational effectiveness
  - Economies of scale
  - Plan rule complexity
  - IT capability

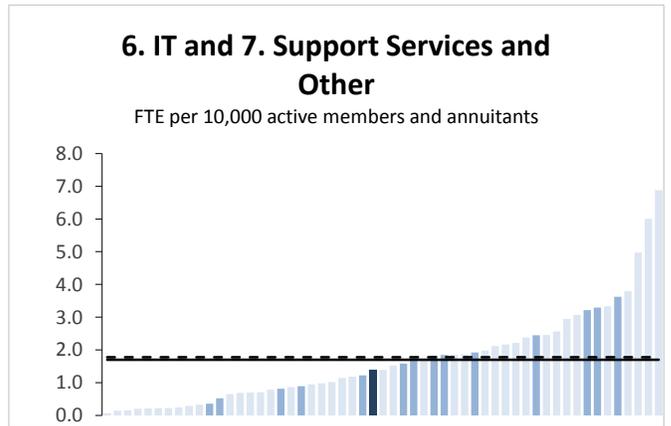
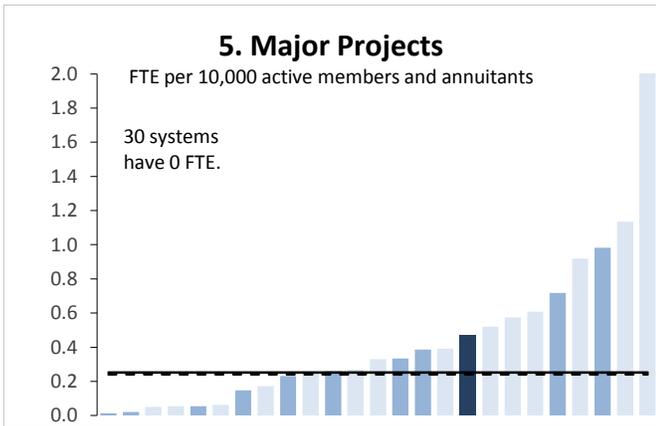
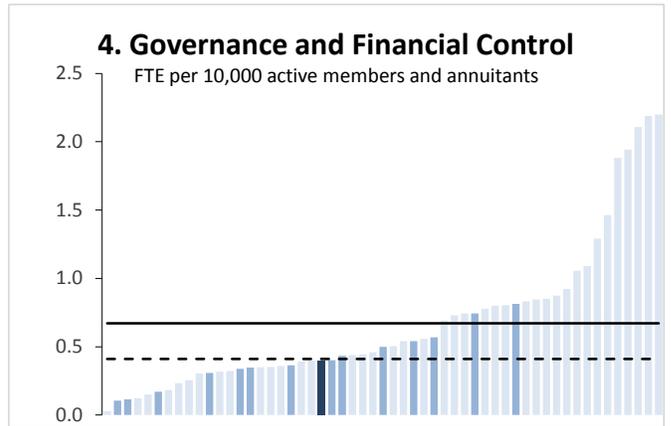
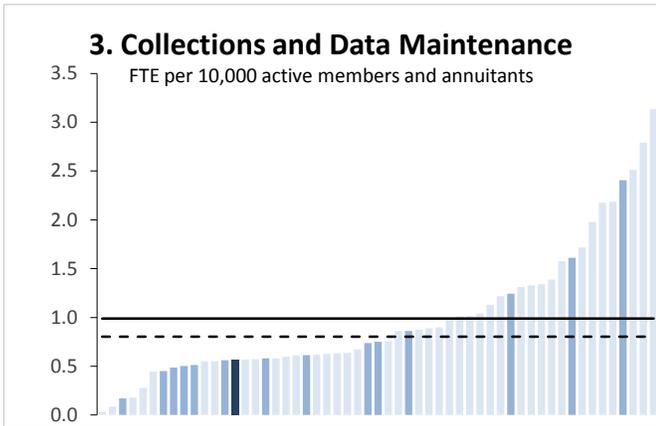
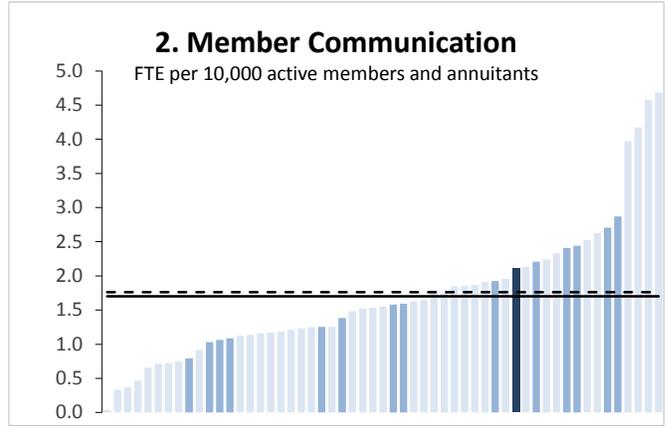
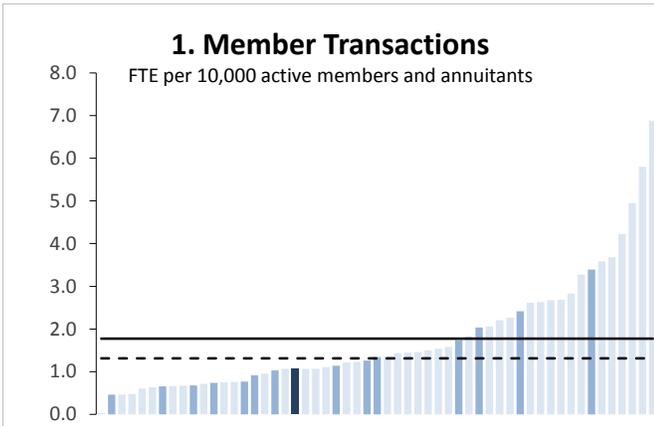
## FTE by activity

Activity	# of Direct <sup>1</sup> FTE			# of FTE per 10,000 Active Members and Annuitants		
	You	Peer Avg	All Avg	You	Peer Avg	All Avg
<b>1. Member Transactions</b>						
a. Pension Payments	14.0	12.4	9.6	0.32	0.23	0.27
b. Pension Inceptions	16.3	25.5	24.7	0.37	0.52	0.65
c. Withdrawals and Transfers-out	6.1	9.9	8.8	0.14	0.20	0.32
d. Purchases and Transfers-in	1.1	10.0	11.4	0.03	0.17	0.36
e. Disability	<u>9.0</u>	<u>9.8</u>	<u>7.0</u>	<u>0.21</u>	<u>0.18</u>	<u>0.17</u>
Total Member Transactions	46.5	67.6	61.5	1.06	1.31	1.78
<b>2. Member Communication</b>						
a. Call Center	24.9	35.8	24.7	0.57	0.75	0.69
b. Mail Room, Imaging	18.1	13.0	9.9	0.41	0.29	0.28
c. 1-on-1 Counseling	11.3	11.9	8.3	0.26	0.26	0.21
d. Presentations and Group Counseling	7.6	7.0	4.0	0.17	0.15	0.11
e. Written Pension Estimates	19.2	6.4	7.2	0.44	0.14	0.20
f. Mass Communication	<u>11.0</u>	<u>7.5</u>	<u>7.0</u>	<u>0.25</u>	<u>0.17</u>	<u>0.22</u>
Total Member Communication	92.1	81.5	61.1	2.11	1.76	1.70
<b>3. Collections and Data Maintenance</b>						
a. Data and Money from Employers	15.7	22.6	21.1	0.36	0.45	0.61
b. Service to Employers	6.3	8.3	8.8	0.14	0.19	0.21
c. Data Not from Employers	<u>2.6</u>	<u>7.4</u>	<u>6.2</u>	<u>0.06</u>	<u>0.16</u>	<u>0.17</u>
Total Collections and Data Maintenance	24.6	38.4	36.1	0.56	0.80	0.99
<b>4. Governance and Financial Control</b>						
a. Financial Administration and Control	9.5	10.5	11.9	0.22	0.24	0.39
b. Board, Strategy, Policy	7.8	5.1	7.8	0.18	0.12	0.21
c. Government and Public Relations	<u>2.7</u>	<u>3.9</u>	<u>3.3</u>	<u>0.06</u>	<u>0.08</u>	<u>0.10</u>
Total Governance and Financial Control	20.0	19.5	23.0	0.46	0.44	0.69
<b>5. Major Projects</b>						
a. Amortization of non-IT Major Projects <sup>2</sup>	n/a	n/a	n/a	n/a	n/a	n/a
b. Non-IT Major Projects (if you don't capitalize)	17.4	4.1	1.8	0.40	0.08	0.05
c. Amortization of IT Major Projects <sup>2</sup>	n/a	n/a	n/a	n/a	n/a	n/a
d. IT Major Projects (if you don't capitalize)	<u>10.1</u>	<u>8.7</u>	<u>6.3</u>	<u>0.23</u>	<u>0.18</u>	<u>0.20</u>
Total Major Projects	27.5	12.8	8.2	0.63	0.26	0.26
<b>6. Information Technology</b>						
a. IT Strategy, Database, Applications (excl. major projects)	38.5	37.8	28.9	0.88	0.84	0.70
b. IT Desktop, Networks, Telecom	<u>10.2</u>	<u>16.2</u>	<u>9.6</u>	<u>0.23</u>	<u>0.33</u>	<u>0.26</u>
Total Information Technology	48.7	54.0	38.4	1.11	1.17	0.96
<b>7. Support Services and Other</b>						
a. Building and Utilities	1.7	4.9	2.6	0.04	0.12	0.08
b. Human Resources	8.2	7.5	6.7	0.19	0.16	0.17
c. Actuarial	0.0	1.4	2.3	0.00	0.03	0.06
d. Legal and Rule Interpretation	10.5	9.3	8.2	0.24	0.19	0.24
e. Internal and External Audit	3.0	4.2	4.3	0.07	0.09	0.13
f. Pay-as-you-go Benefits for Retired Staff	n/a	n/a	n/a	0.00	0.00	0.00
g. Other Support Services	<u>2.5</u>	<u>8.8</u>	<u>5.7</u>	<u>0.06</u>	<u>0.18</u>	<u>0.15</u>
Total Support Services and Other	25.9	36.3	29.8	0.59	0.76	0.81
<b>Total Pension Admin FTE (excludes below)</b>	285.3	310.0	258.1	6.53	6.51	7.20
FTE whose salaries are being capitalized	0.0	10.7	7.6	0.00	0.10	0.07
1f. Healthcare Administration	15.6	8.0	3.3	0.36	0.19	0.09
1g. Optional and Third Party Administered Benefits	8.7	5.7	2.4	0.20	0.11	0.05
<b>Total Administration FTE</b>	309.6	334.4	271.4	7.09	6.92	7.41

1. Direct staff includes staff directly performing the activity, plus related support and management staff that are in the same department and directly support the activity.

2. We are unable to identify the historic FTE embedded in activities 5a. and 5c. amortization of major projects.

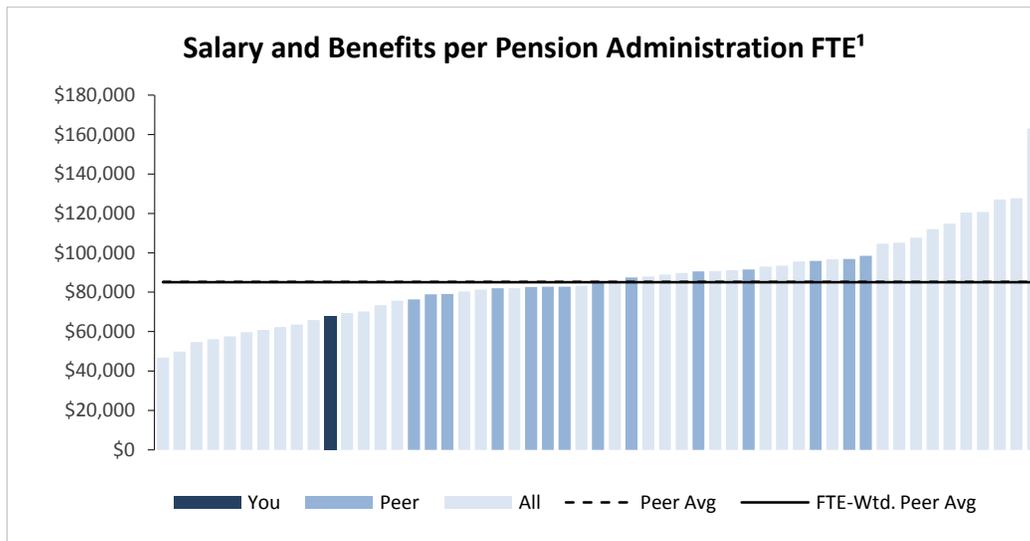
# FTE per 10,000 members by activity aggregates



## Salaries and benefits

Your salaries and benefits per pension administration FTE<sup>1</sup> was \$67,909. This was 20% below the peer average of \$85,179.

If you want to understand how salaries and benefits impact relative cost performance, the more relevant average is the FTE-weighted peer average because salary differences matter more for peers with more FTEs. Your salaries and benefits per pension administration FTE of \$67,909 was below the FTE-weighted peer average of \$85,134.



1. Pension administration FTE excludes: FTE whose salaries are being capitalized, FTE administering healthcare and FTE administering optional benefits. In order to avoid double counting when explaining why your total administration costs differ from the peer average, it also excludes the salaries and FTE of activity 6b. IT Desktop, Networks, Telecom, 7a. Building and Utilities, 7b. Human Resources, and, 7f. Pay-as-you-go Benefits for Retired Staff.

Salaries and benefits include compensation (salary, wages, overtime, bonuses), benefits (pensions, healthcare), related payroll taxes, and charges paid by the employer (as opposed to the employee). Salary and benefits per FTE may differ because of:

- Cost environment
- Staff with different skills and experience. Different activities require different skills sets. Therefore, salaries and benefits are compared by activity on page 7 of this section.
- Outsourcing. For example, if you outsource higher paying jobs by using consultants (i.e., legal, actuarial) your average salary might be lower.

Other costs that tend to vary per FTE include activities: 6b. IT Desktop, Networks, Telecom, 7a. Building and Utilities, 7b. Human Resources, and, 7f. Pay-as-you-go Benefits for Retired Staff. These costs are compared in Section 4 - Activity Costs.

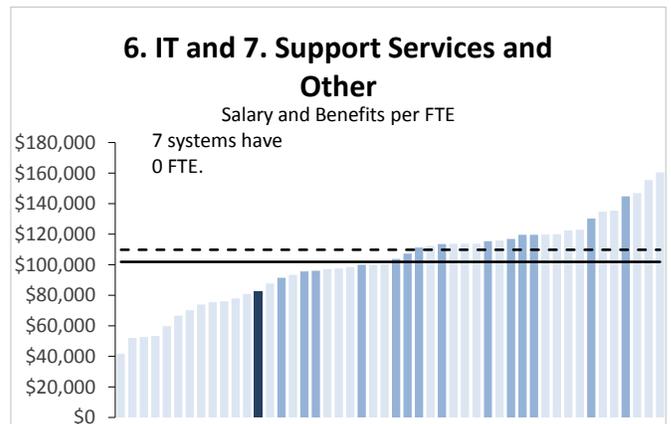
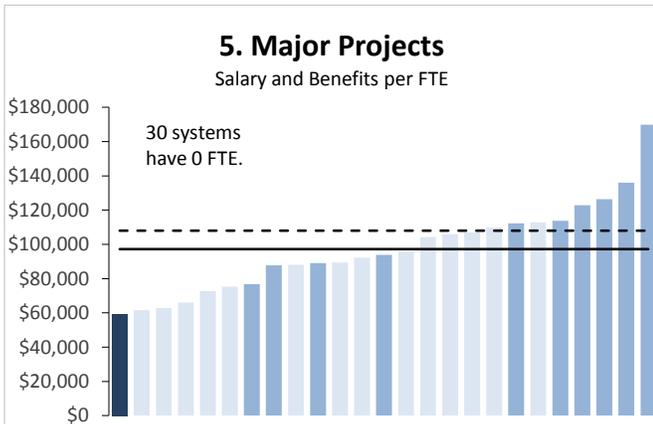
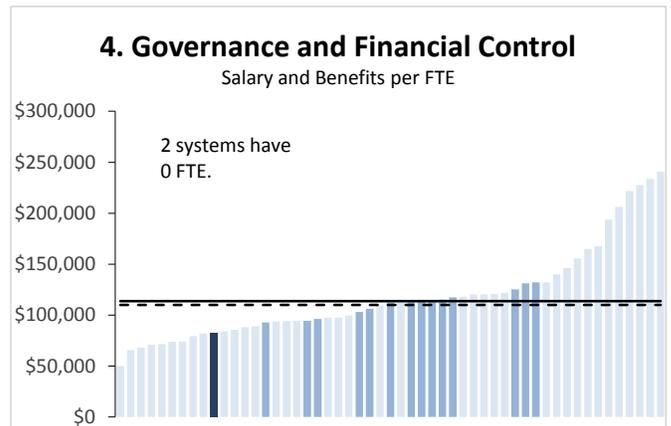
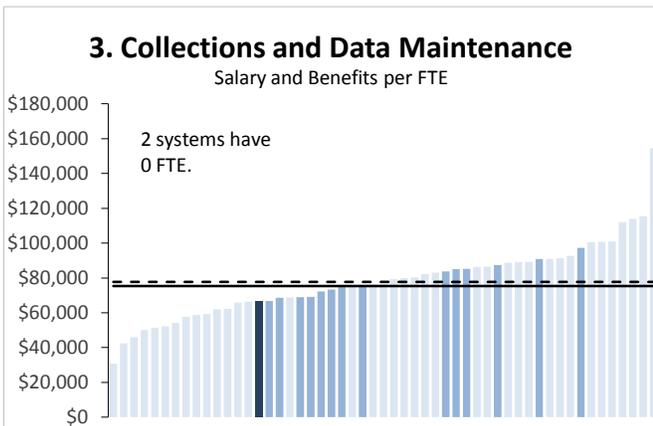
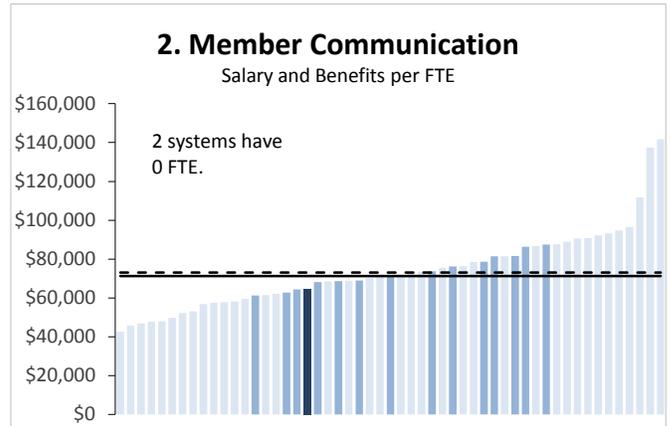
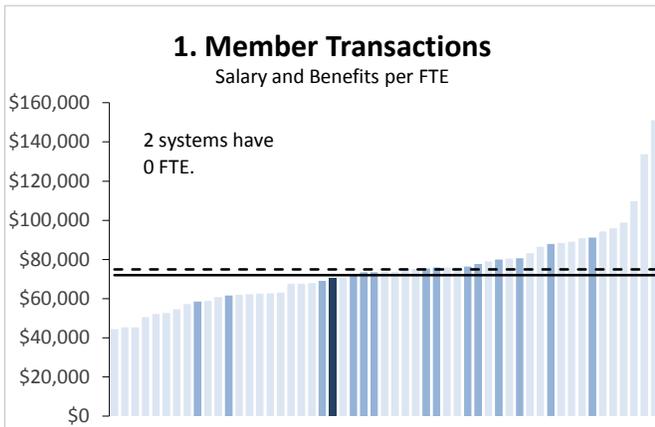
## Salaries and benefits per FTE by activity

Activity	Salaries and Benefits per FTE			Salaries and Benefits as a % of Direct Activity Cost		
	You	Peer Avg	All Avg	You	Peer Avg	All Avg
<b>1. Member Transactions</b>						
a. Pension Payments	\$70,829	\$87,458	\$77,083	74%	58%	59%
b. Pension Inceptions	\$63,945	\$75,023	\$70,922	98%	95%	85%
c. Withdrawals and Transfers-out	\$69,475	\$73,634	\$74,802	98%	88%	85%
d. Purchases and Transfers-in	\$74,455	\$75,262	\$74,922	99%	91%	89%
e. Disability	<u>\$82,667</u>	<u>\$76,566</u>	<u>\$71,938</u>	87%	65%	73%
	\$70,615	\$74,908	\$72,048			
<b>2. Member Communication</b>						
a. Call Center	\$62,482	\$70,668	\$68,354	98%	94%	86%
b. Mail Room, Imaging	\$51,227	\$59,805	\$62,787	71%	74%	67%
c. 1-on-1 Counseling	\$68,982	\$77,810	\$76,640	98%	92%	87%
d. Presentations and Group Counseling	\$69,237	\$85,441	\$82,533	97%	78%	80%
e. Written Pension Estimates	\$69,359	\$76,621	\$72,034	98%	97%	90%
f. Mass Communication	<u>\$77,200</u>	<u>\$87,183</u>	<u>\$85,954</u>	62%	47%	51%
	\$64,817	\$73,074	\$71,211			
<b>3. Collections and Data Maintenance</b>						
a. Data and Money from Employers	\$67,325	\$78,981	\$74,899	98%	94%	86%
b. Service to Employers	\$64,000	\$82,581	\$81,685	97%	91%	83%
c. Data Not from Employers	<u>\$69,692</u>	<u>\$72,963</u>	<u>\$69,913</u>	99%	89%	81%
	\$66,724	\$77,759	\$75,273			
<b>4. Governance and Financial Control</b>						
a. Financial Administration and Control	\$77,768	\$101,677	\$99,398	90%	85%	80%
b. Board, Strategy, Policy	\$77,526	\$139,396	\$146,249	74%	76%	65%
c. Government and Public Relations	<u>\$117,148</u>	<u>\$114,525</u>	<u>\$115,527</u>	80%	83%	71%
	\$82,990	\$110,050	\$113,894			
<b>5. Major Projects</b>						
a. Amortization of non-IT Major Projects	n/a	n/a	n/a	n/a	n/a	n/a
b. Non-IT Major Projects (if you don't capitalize)	\$48,201	\$84,971	\$80,705	37%	59%	48%
c. Amortization of IT Major Projects	n/a	n/a	n/a	n/a	n/a	n/a
d. IT Major Projects (if you don't capitalize)	<u>\$78,317</u>	<u>\$111,302</u>	<u>\$98,953</u>	43%	42%	37%
	\$59,262	\$107,977	\$97,263			
<b>6. Information Technology</b>						
a. IT Strategy, Database, Applications (excl. major projects)	\$60,800	\$110,223	\$107,816	31%	57%	45%
b. IT Desktop, Networks, Telecom	<u>\$75,500</u>	<u>\$103,972</u>	<u>\$100,184</u>	43%	40%	34%
	\$82,334	\$116,341	\$110,101			
<b>7. Support Services and Other</b>						
a. Building and Utilities	\$61,235	\$83,005	\$79,040	6%	11%	8%
b. Human Resources	\$63,085	\$99,156	\$104,411	62%	78%	70%
c. Actuarial	n/a	\$140,037	\$129,220	0%	26%	29%
d. Legal and Rule Interpretation	\$84,810	\$116,717	\$116,185	80%	65%	63%
e. Internal and External Audit	\$132,800	\$120,021	\$108,263	56%	68%	57%
f. Pay-as-you-go Benefits for Retired Staff	n/a	n/a	n/a	n/a	100%	100%
g. Other Support Services	<u>\$61,320</u>	<u>\$80,670</u>	<u>\$80,383</u>	71%	61%	53%
	\$82,897	\$99,958	\$94,898			
Total Pension Administration <sup>1</sup>	\$67,997	\$86,744	\$87,812	61%	59%	54%
Total Pension Admin excluding activities 6b, 7a, 7b, and 7f <sup>2</sup>	\$67,909	\$85,179	\$83,399	66%	64%	59%

1. Pension administration FTE excludes: FTE whose salaries are being capitalized, FTE administering healthcare and FTE administering optional benefits.

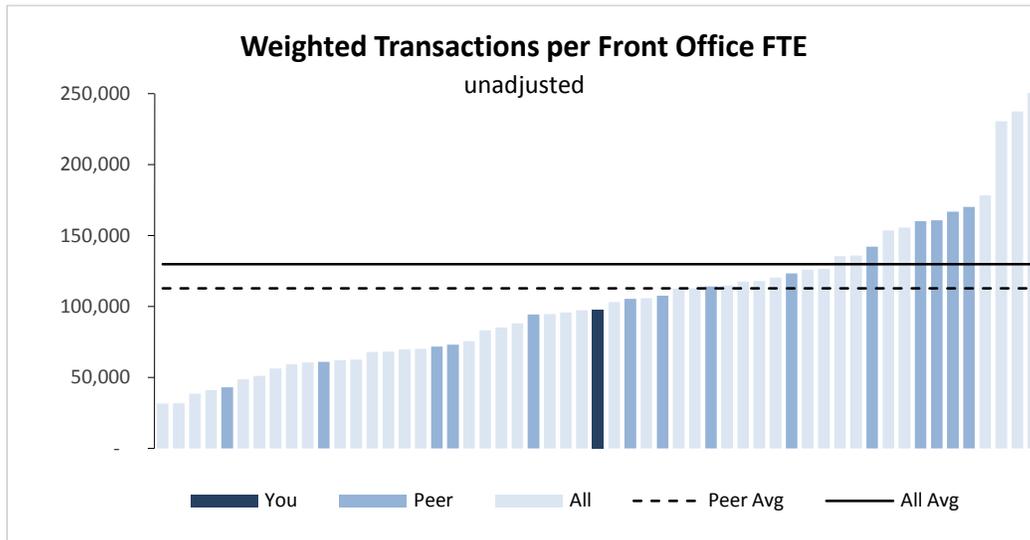
2. Section 3 'Total Costs' and the Executive Summary uses the FTE-weighted peer average of \$85,134 to explain cost differences. It is used to explain cost differences because salary differences matter more for peers with more FTEs. To avoid double counting items quantified separately in the cost model, the FTE-weighted average also: (i) excludes activities 6b, 7a, 7b and 7f, and, (ii) weights front and back office salaries per your ratio of front to back office FTE.

# Salaries and benefits per FTE by activity aggregates



## Productivity

Total productivity is defined as the number of weighted transactions per front-office, full-time-equivalent staff (FTE). Your productivity was 97,700 per front-office FTE. This was below the in-house peer average of 112,740.



Weighted transaction volumes equal the cost-weighted average of front-office activity volumes. It is a measure of work. Details of the calculation are shown in Section 6 Transaction Volumes. Front office activities are the activities that come in contact with clients or employers, such as paying pensions, pension inceptions and member calls. It excludes support activities such as Governance and Financial Control, Major Projects and Support Services.

Differences in productivity are caused by differences in:

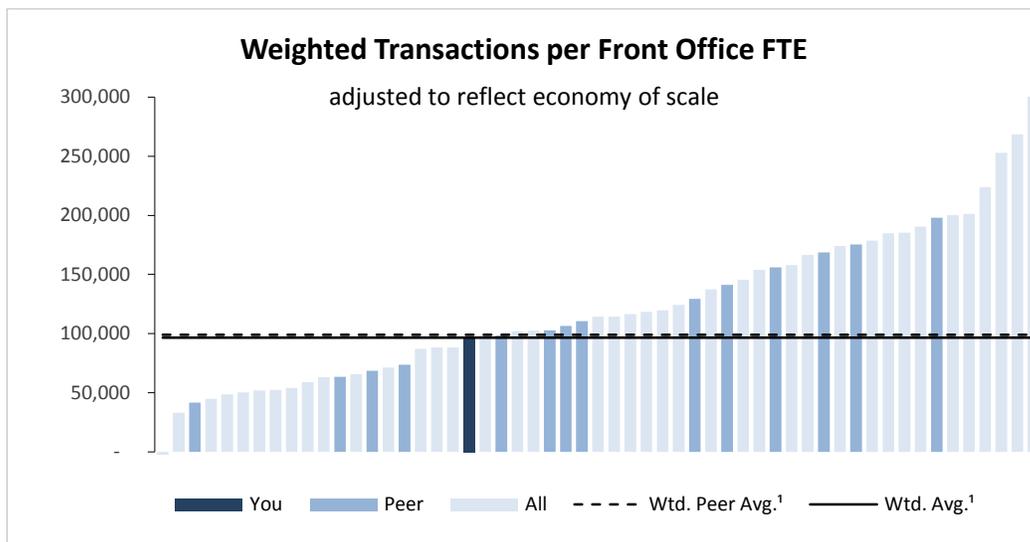
- Economies of scale (see next page)
- Staff skills and staff productivity
- IT capability / online transactions
- Service levels, for example, shorter wait times may require more staff
- Complexity of plan rules
- Using more consultants and third parties to do part of the work
- Projects
- Organization design

It is important to emphasize that total productivity is not a measure of staff productivity; staff productivity is however a component of total productivity.

## Productivity - adjusted for economies of scale

Productivity is impacted by economies of scale. CEM research shows that, on average, smaller systems have lower productivity than larger systems. In section 3 Total Costs when we explain reasons for differences between your cost and the peer average, we quantify the impact of economies of scale separately from the impact of productivity. Thus we need to adjust the productivity of your peers for economies of scale to avoid double counting.

After adjusting for economies of scale, your productivity (weighted transaction volumes per FTE) was 1% below the weighted peer average.



1. The peer and all averages are weighted by workloads (i.e., weighted transactions per member) because differences in productivity matter more for peers with higher workloads when explaining cost differences.

## Productivity by activity

Productivity by activity must be interpreted cautiously because annual fluctuations in activity volumes can cause large swings in productivity. Unusually high volumes in a given year will make you look more productive than normal. Unusually low volumes will make you look less productive.

Productivity by Front-Office Activity					
Front-Office Activities		Activity Volume per FTE			
		You	Peer Avg	All Avg	
<b>1. Member Transactions</b>					
a. Pension Payments	Annuitants	12,861	38,661	33,728	
b. Pension Inceptions	New Payee Inceptions	620	646	787	
c. Withdrawals and Transfers-out	Withdrawals and Transfers-out	636	3,806	2,025	
d. Purchases and Transfers-in	Purchases and Transfers-in	725	719	616	
e. Disability	Disability Applications	265	215	194	
<b>2. Member Communication</b>					
a. Call Center	Calls and Emails	8,166	10,321	10,674	
b. Mail Room, Imaging	Incoming Mail	9,363	22,602	29,896	
c. 1-on-1 Counseling	Members Counseled 1-on-1	508	1,042	8,710	
d. Presentations and Group Counseling	Member Presentations	52	139	134	
e. Written Pension Estimates	Written Estimates	1,188	2,520	2,697	
f. Mass Communication	Active Members and Annuitants	39,713	73,918	109,770	
<b>3. Collections and Data Maintenance</b>					
a. Data and Money from Employers	Active Members	16,356	22,714	25,322	
b. Service to Employers	Active Members	40,760	39,729	69,569	
c. Data Not from Employers	Actives, Inactives, Annuitants	228,694	433,627	713,007	
Weighted Transactions per Front Office FTE		97,700	112,740	129,777	
adjusted for Economies of Scale <sup>1, 2</sup>		97,700	98,933	96,478	

1. Productivity is impacted by economies of scale. CEM research shows that, on average, smaller systems have lower productivity than larger systems. In section 3 Total Costs when we explain reasons for differences between your cost and the peer average, we quantify the impact of economies of scale separately from the impact of productivity. Thus we need to adjust the productivity of your peers for economies of scale to avoid double counting.

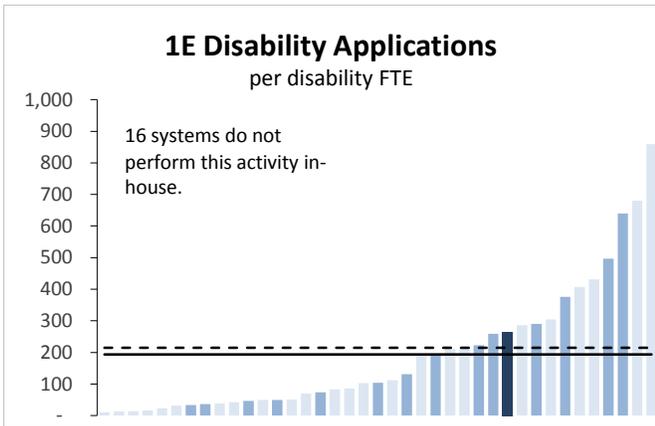
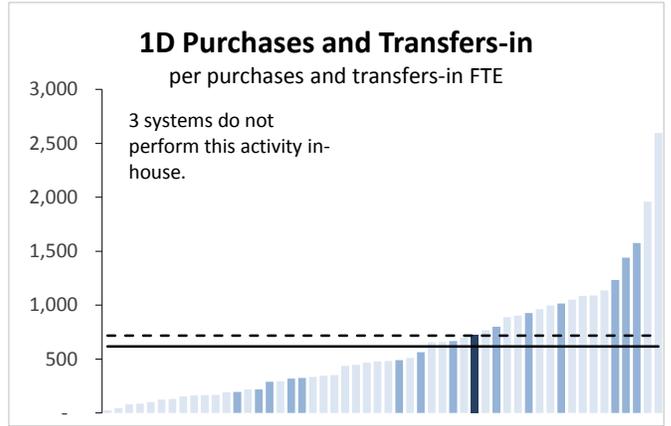
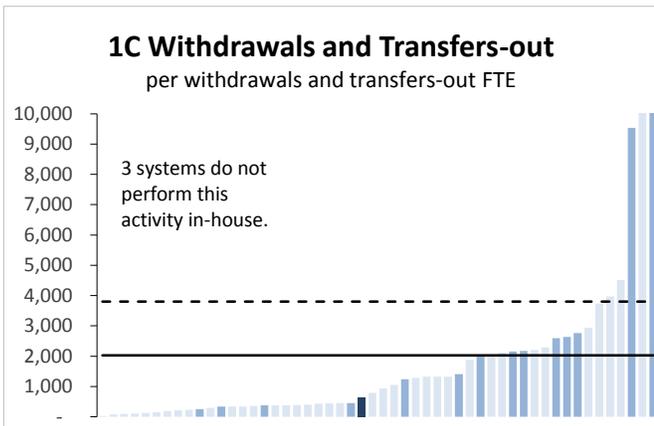
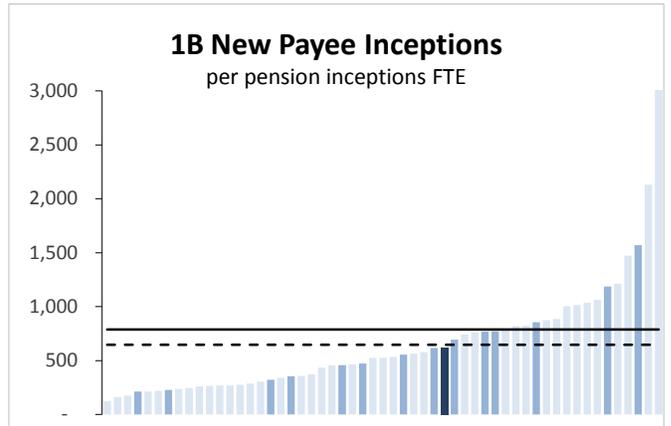
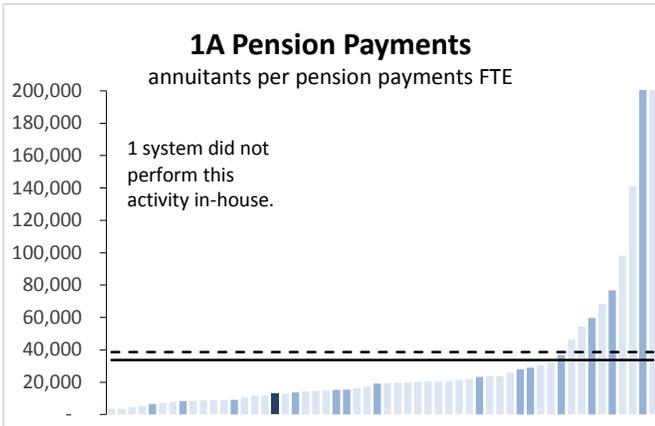
2. The peer and all averages, for this value only, are weighted by workloads (i.e., weighted transactions per member) because differences in productivity matter more for peers with higher workloads when explaining cost differences.

Differences in productivity are caused by differences in:

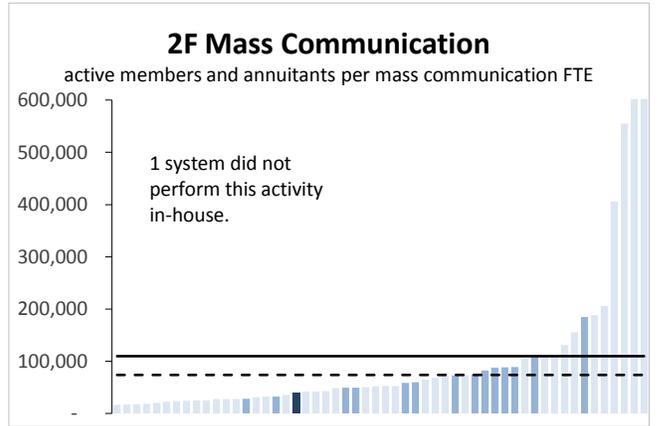
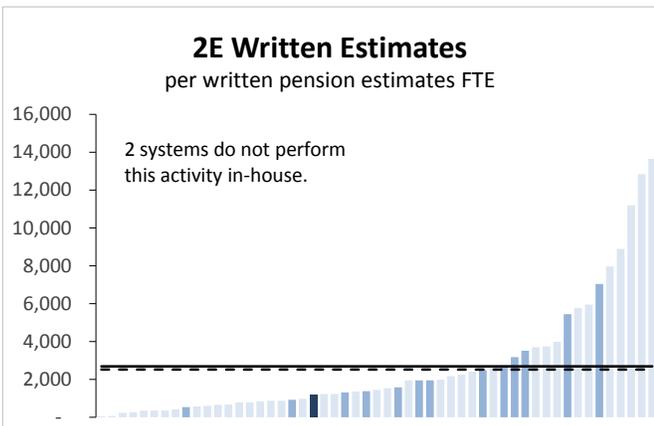
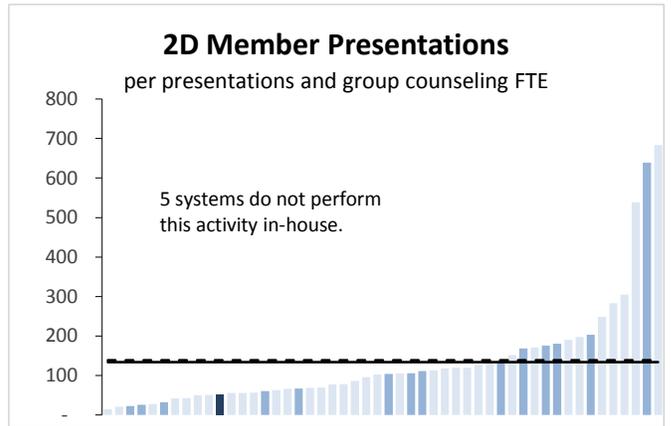
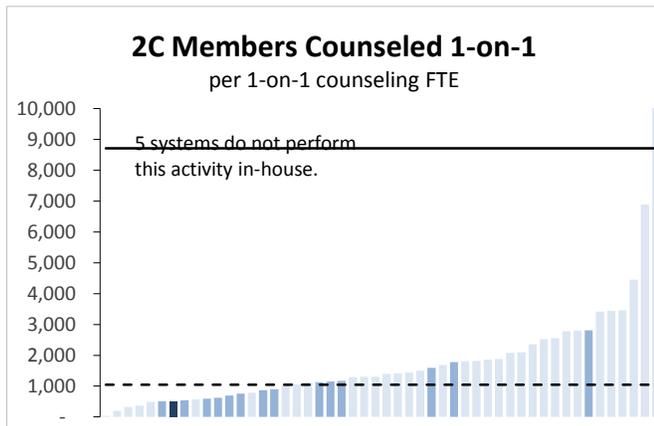
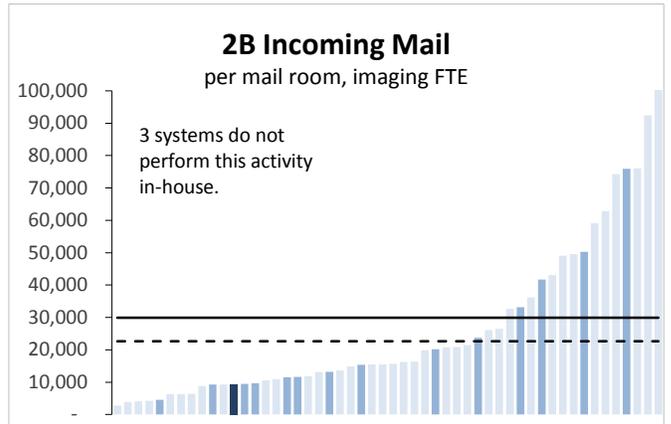
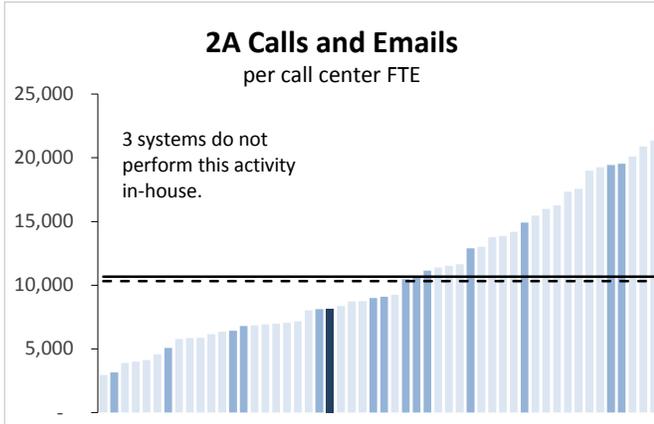
- Economies of scale (see previous page)
- Staff skills and staff productivity
- IT capability / online transactions
- Service levels, for example, shorter wait times may require more staff
- Complexity of plan rules
- Using more consultants and third parties to do part of the work
- Projects
- Organization design

It is important to emphasize that total productivity is not a measure of staff productivity; staff productivity is however a component of total productivity.

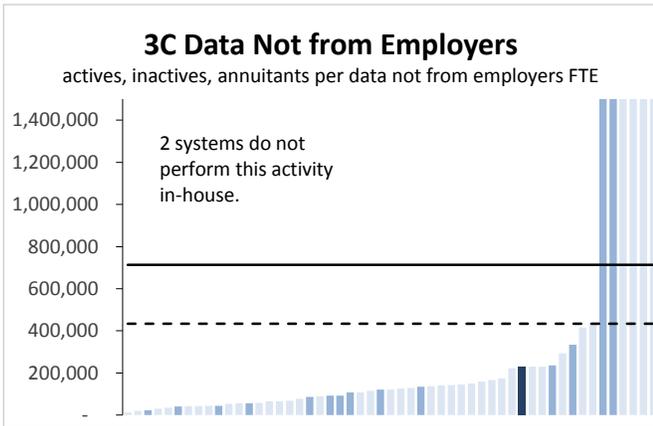
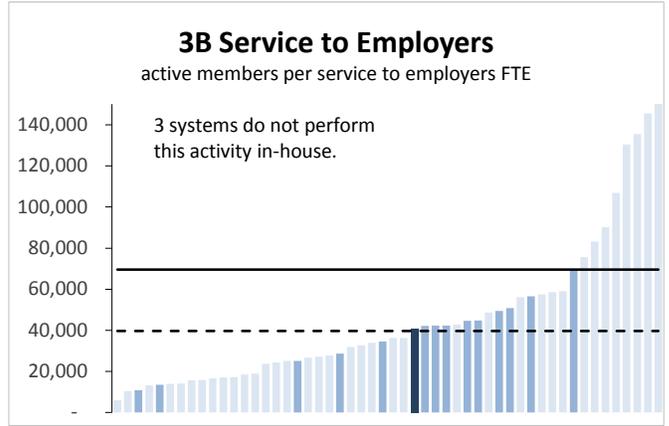
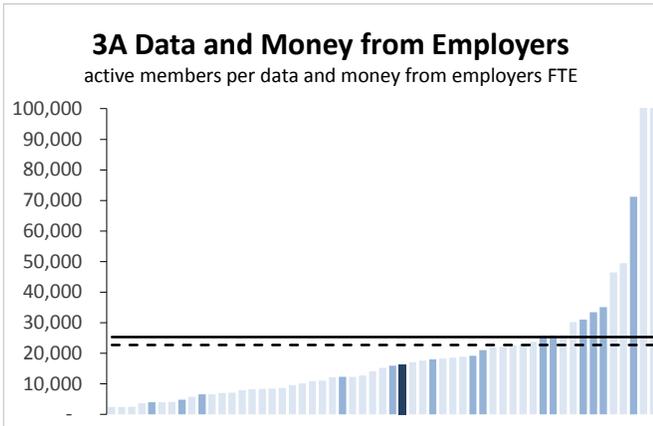
# Productivity by activity - member transactions



# Productivity by activity - member communication



# Productivity by activity - collections and data maintenance



# Transaction Volumes

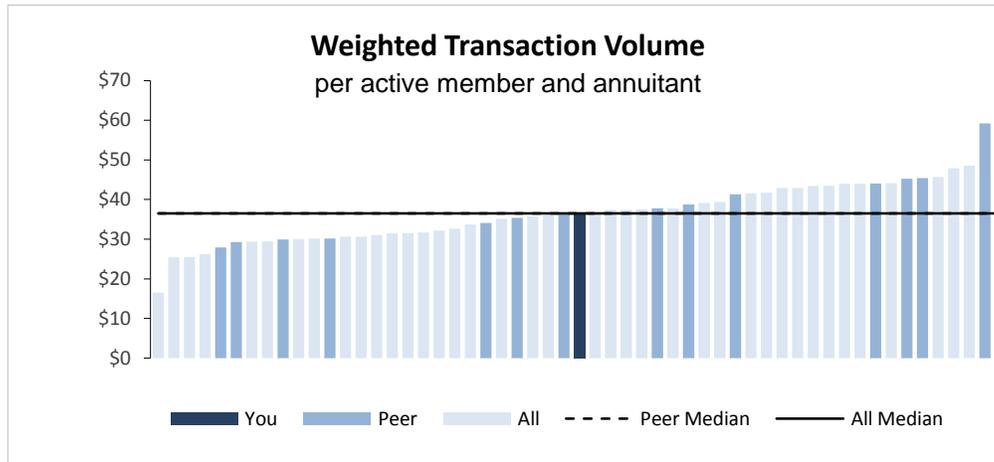
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This section contains:

- Comparisons of the most important pension administration transaction volumes for each front-office activity. Transactions are a major driver of costs. It is higher cost to have more transactions per member.
- Comparisons of total workloads - your weighted transaction volumes per member. This shows whether your transaction volumes are more or less costly in aggregate.

## Workload: Weighted transaction volume per member

Your weighted transaction volume was \$36.50 per active member and annuitant. This was equal to the peer median of \$36.50.



Your weighted transaction volume per member indicates whether you are doing more or less administration work per member in aggregate than your peers. This could be due to reasons that are beyond your control, or because you are voluntarily doing more work for your members. Differences in work reflect differences in:

- Activities that you administer. For example, some systems do not administer disability.
- Service levels
- Membership mix
- Member demographics

The calculation of your weighted transaction volume is shown on the following page.

### Interpreting your weighted transaction volumes

Transaction volumes are an important driver of costs. As shown in 'section 3 - Total Cost', your below average weighted transaction volumes decreased your total cost by an estimated \$1.50 per member relative to the peer average.

Mindful that transaction volumes are a significant driver of cost, this is one area to focus attention on in terms of potentially saving money. You may look at where you process more work than your peers with a view to reducing that volume (provided you have control over the volume).

## Calculation of your weighted transaction volume

Your weighted transaction volume equals the cost weighted average of the 14 'front-office' pension administration transaction volumes shown in the table below.

Calculation of Your Weighted Transactions per Member			
Transaction (or Cost Driver) by Front-Office Activity	Your Volume (A)	Weight = All Median Cost per Transaction (B)	Weighted Volume (A x B)
<b>1. Member Transactions</b>			
a. Pension Payments (Annuitants)	180,056	\$7.99	1,439,214
b. New Payee Inceptions	10,105	\$176.18	1,780,342
c. Withdrawals and Transfers-out	3,878	\$90.39	350,526
d. Purchases and Transfers-in	798	\$215.13	171,671
e. Disability Applications	2,389	\$1,424.89	3,404,068
<b>2. Member Communication</b>			
a. Calls and Emails	203,339	\$7.82	1,589,800
b. Incoming Mail	169,464	\$5.00	847,890
c. Members Counseled 1-on-1	5,739	\$56.90	326,563
d. Member Presentations	395	\$1,133.84	447,868
e. Written Estimates	22,806	\$57.43	1,309,851
f. Mass Communication (Active Members and Annuitants)	436,844	\$3.59	1,570,258
<b>3. Collections and Data Maintenance</b>			
a. Data and Money from Employers (Active Members)	256,788	\$6.22	1,597,273
b. Service to Employers (Active Members)	256,788	\$2.85	731,397
c. Data Not from Employers (Actives, Inactives, Annuitants)	594,605	\$0.64	377,885
<b>Total</b>			<b>15,944,607</b>
<b>Total per active member and annuitant</b>			<b>\$36.50</b>

## Methodology notes

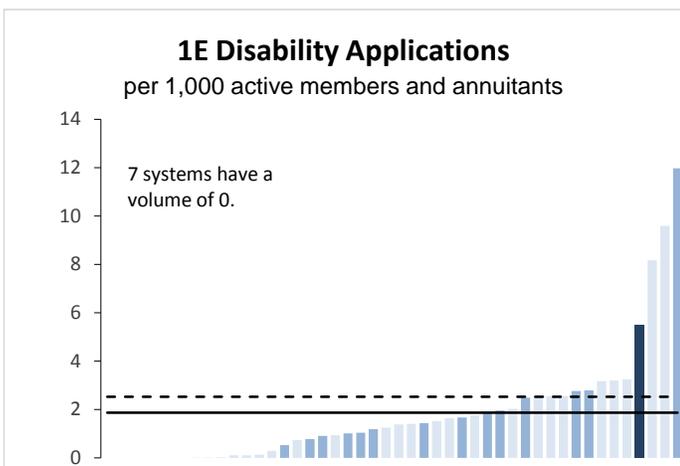
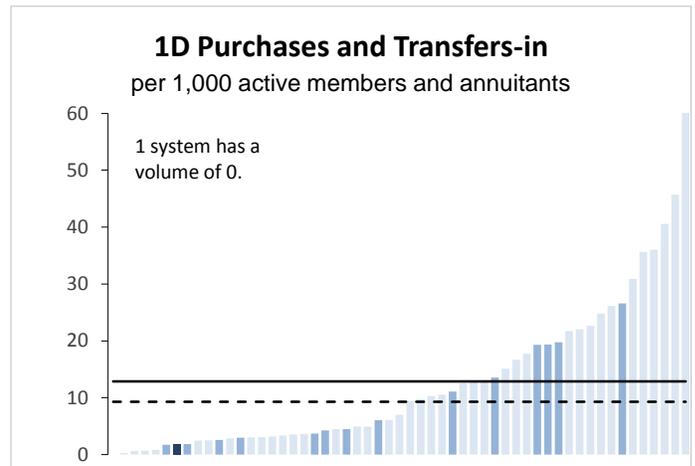
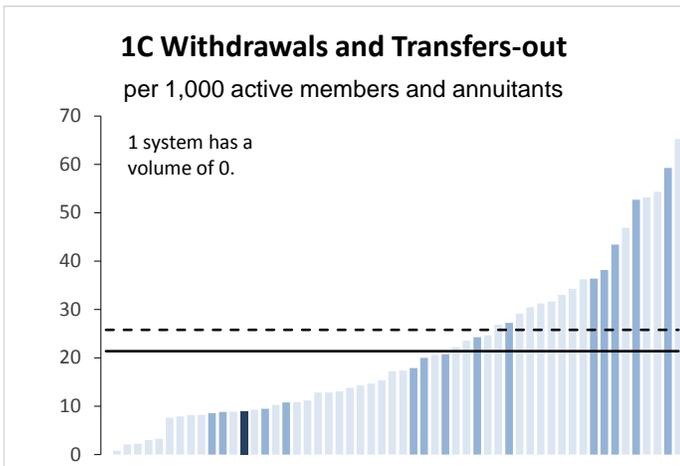
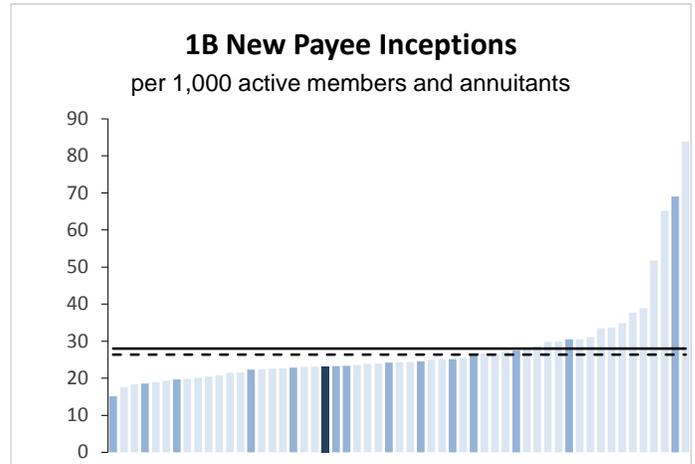
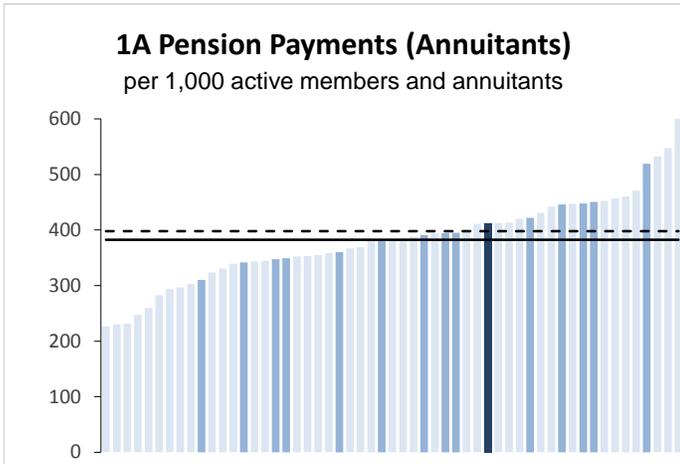
- **Weights** - The weights used for all activities are the all median cost per transaction. This enables us to normalize for the substantial differences in time and effort expended on each type of task. For example, a 1-on-1 counseling session is more costly and time consuming than answering a telephone call. This difference is reflected in the weights where the cost per 1-on-1 counseling session of \$56.90 is approximately 7 times higher than the cost per call of \$7.82.
- **Back-Office Activities** (e.g., Governance and Financial Control, Major Projects and Support Services) - The work of back-office activities is excluded from the weighted transaction volume score. This is because most work of back-office activities cannot be analyzed in terms of transaction volumes. For example, it would be nearly impossible to consider the role of a CEO in terms of the number of transactions that he or she processes.
- **Web** - Transaction volumes are weighted the same regardless of channel. Online transactions typically cost less, but if we applied a lower weight, then a system that has achieved a high level of online functionality would be unfairly penalized.
- **Secondary versus primary cost drivers** - The activity volumes used to determine your weighted transaction volume score are the primary cost drivers for each activity. Secondary cost drivers are ignored in this section because they are usually relatively immaterial.
- **Using members as a proxy** - For some activities, we have used members (or member subsets such as annuitants) as a proxy for the activity's transactions. For example, active members are used as a proxy for the transactions of the Collections and Data Maintenance activity. The implicit assumption is that data maintenance transactions, such as address changes, will occur at similar ratios of members for all systems.

## Comparison of transaction volumes by activity

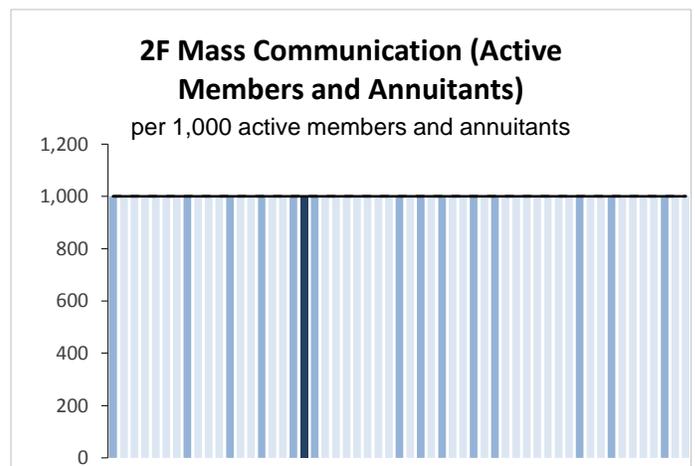
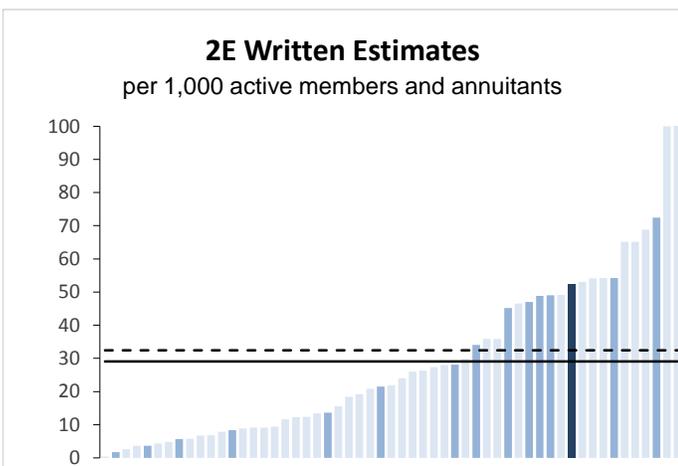
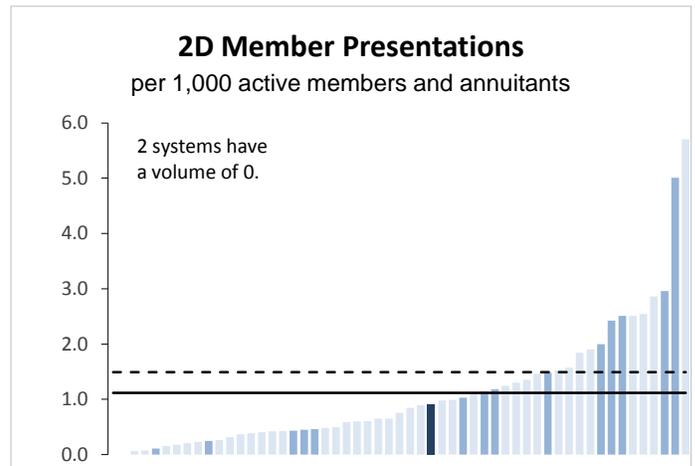
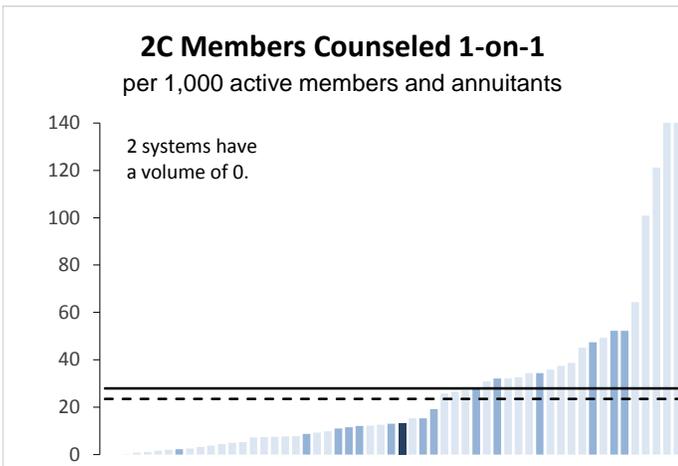
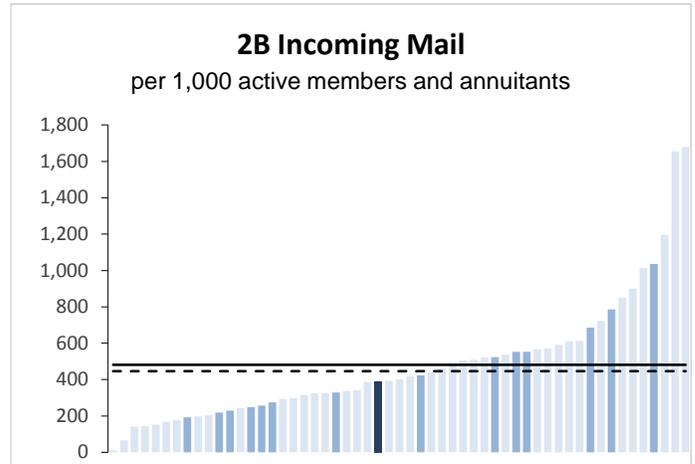
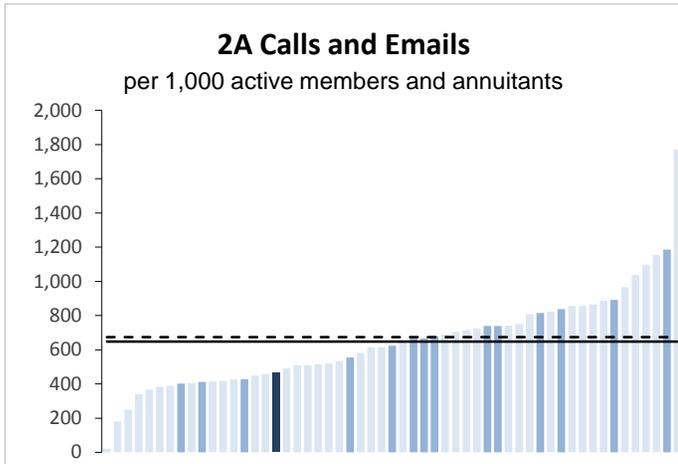
The table below shows whether you are doing more or fewer transactions per member than your peers by front-office activity. All volumes in the table are compared 'per 1,000 active members and annuitants' even if all member types do not always cause the volume. This is because active members and annuitants is the divisor when comparing total cost per member. Therefore, to know how volumes impact your relative total cost performance, they need to be compared on the same basis.

Comparisons of Transaction Volumes by Activity				
Transaction (or Cost Driver) by Front-Office Activity	Your Volume	Volume per 1,000 Active Members and Annuitants		
		You	Peer Avg	All Avg
<b>1. Member Transactions</b>				
a. Pension Payments (Annuitants)	180,056	412	398	382
b. New Payee Inceptions	10,105	23	26	28
c. Withdrawals and Transfers-out	3,878	9	26	21
d. Purchases and Transfers-in	798	2	9	13
e. Disability Applications	2,389	5	3	2
<b>2. Member Communication</b>				
a. Calls and Emails	203,339	465	674	647
b. Incoming Mail	169,464	388	446	481
c. Members Counseled 1-on-1	5,739	13	24	28
d. Member Presentations	395	1	1	1
e. Written Estimates	22,806	52	32	29
f. Mass Communication (Active Members and Annuitants)	436,844	1,000	1,000	1,000
<b>3. Collections and Data Maintenance</b>				
a. Data and Money from Employers (Active Members)	256,788	588	602	618
b. Service to Employers (Active Members)	256,788	588	602	618
c. Data Not from Employers (Actives, Inactives, Annuitants)	594,605	1,361	1,430	1,331
<b>Cost Weighted Total</b>		<b>\$36,500</b>	<b>\$38,095</b>	<b>\$36,965</b>

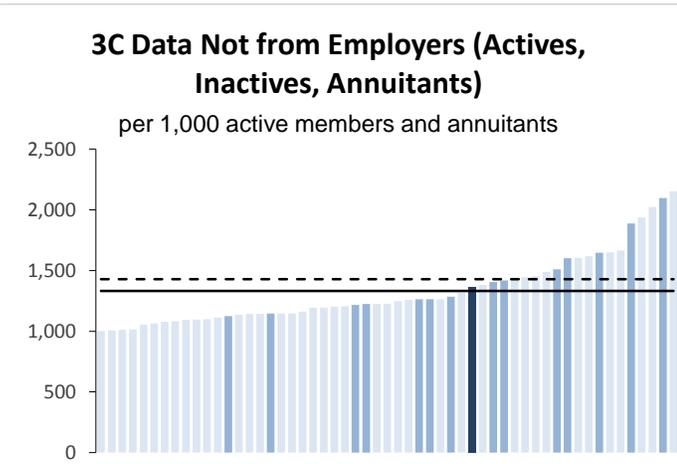
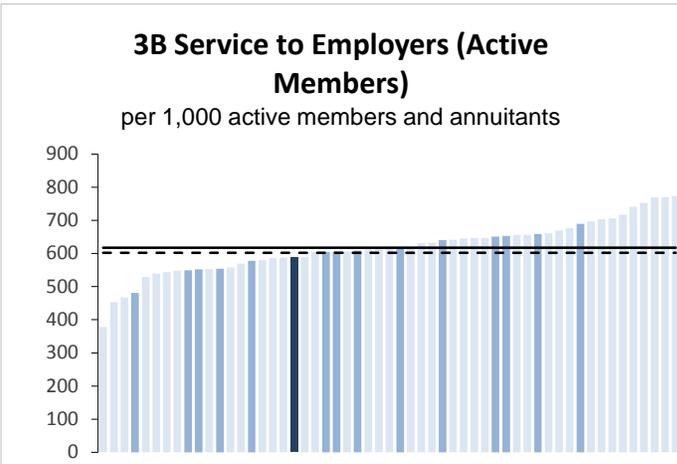
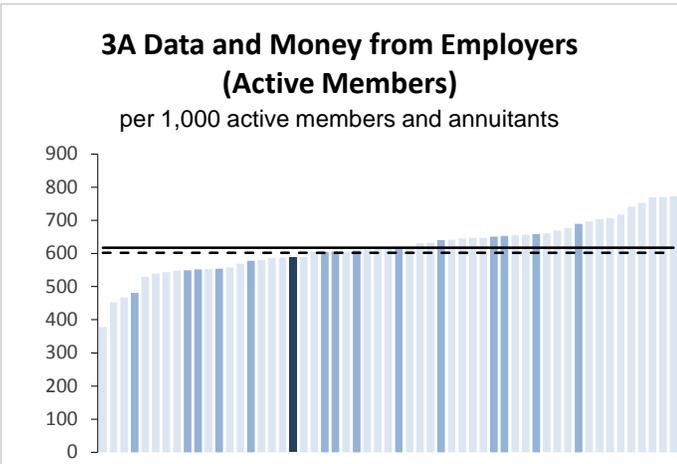
# Member transactions per 1,000 members: Graphical comparisons



# Communications transactions per 1,000 members: Graphical comparisons



# Collections and data transactions per 1,000 members: Graphical comparisons



## Online transactions

Online Tool	% offering tool			If offered: Volume per 1,000 active members and annuitants		
	You	Peer	All	You	Peer Median	All Median
Benefit calculators						
In non-secure area	Yes	67% Yes	51% Yes	520	344	250
In secure area not linked to member data	No	20% Yes	11% Yes	n/a	15	84
In secure area linked to member's salary and service data	No	80% Yes	82% Yes	n/a	510	394
Service credit purchase calculator	Yes	73% Yes	71% Yes	8	19	46
Register for counseling sessions	No	50% Yes	35% Yes	n/a	4	4
Real-time access to available dates and times	n/a	100% Yes	78% Yes	0		
Register for counseling presentations	Yes	79% Yes	60% Yes	23	15	15
Live chat	No	0% Yes	7% Yes	n/a	n/a	6
Change address	No	80% Yes	83% Yes	n/a	29	25
Change beneficiary	No	47% Yes	46% Yes	n/a	20	41
Change email address	No	73% Yes	74% Yes	n/a	23	18
Reset password	No	80% Yes	73% Yes	n/a	208	62
Tools for annuitants						
Change banking information for direct deposit	No	60% Yes	48% Yes	n/a	10	5
Change tax withholding amount	No	73% Yes	51% Yes	n/a	13	8
Download or print duplicate tax receipts	No	87% Yes	67% Yes	n/a	44	42
View annuity payment details	No	93% Yes	75% Yes	n/a	140	88
Initiate a retirement application	No	67% Yes	42% Yes	n/a	6	5
View status of online retirement application	n/a	60% Yes	48% Yes	n/a	41	22
Apply for a refund or a transfer-out	No	27% Yes	17% Yes	n/a	1	3
Digital file of recent correspondence and member documents	No	36% Yes	21% Yes	n/a	444	444
Download member statement	No	80% Yes	87% Yes	n/a	237	184
Upload documents	No	33% Yes	19% Yes	n/a	0	1
View pensionable earnings and/or service without downloading	No	80% Yes	85% Yes	n/a	688	456
If yes:						
Are both salary and service data available?	n/a	100% Yes	96% Yes			
Is online data up-to-date to the most recent pay period?	n/a	83% Yes	74% Yes			
Is a complete annual history from the beginning of employment provided?	n/a	67% Yes	63% Yes			
If you administer a core DC or hybrid DB/ DC plan:						
Switch between investment options	n/a	75% Yes	77% Yes	n/a	8	8
Change deferral percentage selections for regular contributions	n/a	38% Yes	23% Yes	n/a	4	4
Initiate withdrawals	n/a	25% Yes	23% Yes	n/a	8	13
View current valuation of their account	n/a	88% Yes	77% Yes	n/a	309	186

Offering online transactions as an option is higher service. Online transactions can also reduce costs provided sufficient volumes are achieved.

# Service Levels

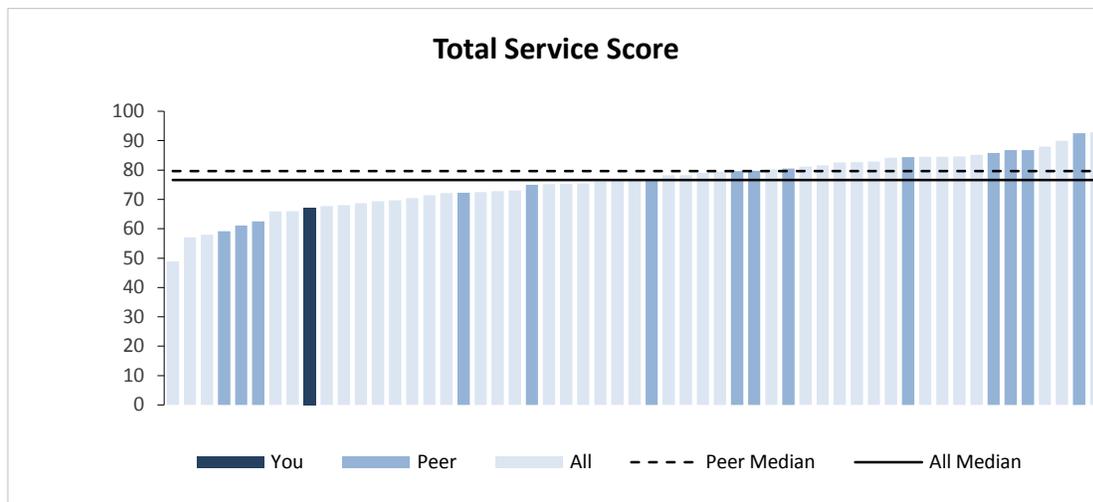
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This section:

- Analyzes your current service levels relative to your peers, and other retirement systems in the U.S., Canada, Denmark, Sweden and the Netherlands to identify what you do and how it compares to others.
- Identifies areas where you may be able to improve or reduce your service levels.
- Provides details of the methodology and criteria we used to evaluate your service levels.

## Total Service Score

Your total service score was 67 out of 100. This was below the peer median of 80.



Your total service score is the weighted average of your service scores for the activities shown on the next page.

### Interpreting your service score

A higher service score is not necessarily better. This is because:

- High service may not always be cost effective or optimal. For example, it is clearly higher service for your members to have a contact center open 24 hours a day but few systems would be able to justify the cost.
- Our 'weights' are an approximation of the importance of an individual service element. The weights will not always reflect the relative importance that you or your members attach to an individual service element.

The service measures are most useful for identifying what you are doing differently than your peers. Understanding these differences can give you ideas on how you may want to improve or reduce the service you provide to your members.

### Methodology changes for scoring of 2014 results

CEM's total service score was changed, placing a greater emphasis on personalization and targeting of member communications, and communicating with members via electronic means. Refer to Appendix D for further details.

Historic scores have been restated using the new methodology on pages 7-3 and 7-5.

## Service scores by activity

Your total service score is the weighted average of your service scores for each of the activities shown in the table below. The rationale for the weighting scheme is discussed on the following page.

Service Scores by Activity													
Activity	Weight <sup>1</sup>	You <sup>2, 4</sup>				Peer 2014				All 2014			
		2014	2013	2012	2011	Avg	Max	Med	Min	Avg	Max	Med	Min
1. Member Transactions													
a. Pension Payments	19.7%	99	99	99	99	100	100	100	99	99	100	100	90
b. Pension Inceptions	7.4%	91	91	91	91	76	100	86	11	80	100	86	11
c. Withdrawals and Transfers-out	1.3%	28	10	10	28	70	100	88	5	72	100	85	0
d. Purchases and Transfers-in	3.1%	90	76	82	84	71	98	84	0	71	100	84	0
e. Disability	3.8%	82	82	82	82	81	100	84	10	84	100	90	10
2. Member Communication													
a. Call Center	21.2%	43	42	49	48	60	95	62	37	63	95	65	36
c. 1-on-1 Counseling	7.4%	72	73	71	68	82	99	89	52	75	100	78	0
d. Member Presentations	6.5%	93	100	98	91	88	100	93	50	81	100	88	0
e. Written Pension Estimates	4.7%	72	63	74	66	80	100	85	25	78	100	81	25
f. Mass Communication													
• Website <sup>2</sup>	11.4%	22	22	22	22	72	89	81	22	68	98	73	13
• News and targeted communication	2.8%	72	32	32	29	76	99	77	44	75	102	78	15
• Member statements	4.7%	89	86	81	83	79	96	88	53	75	100	79	0
3. Quality Indicators													
Satisfaction Surveying	5.0%	34	34	9	9	41	75	34	9	40	98	39	0
Disaster Recovery	1.0%	58	58	58	41	88	100	87	58	87	100	90	50
<b>Total service score</b>	<b>100%</b>	<b>67</b>	<b>65</b>	<b>66</b>	<b>64</b>	<b>77</b>	<b>93</b>	<b>80</b>	<b>59</b>	<b>76</b>	<b>93</b>	<b>77</b>	<b>49</b>

1. The rationale for the weighting scheme is shown on the next page. Other systems may have slightly different activity weights than you. Their weights reflect the member transactions that they administer. For example, you administer disability whereas some of your peers do not. Therefore, the average total service score will not match the activity weight multiplied by the average activity service score.

2. Website capabilities are also incorporated in the service scores for other activities. Those activities and the contribution of the website-related part of the score are: 1a Pension Payments, 1.0%, 2c 1-on-1 Counseling, 1.3%, 2d Member Presentations, 2.4% and 2e Written Pension Estimates, 2.1%, for a total of 6.8%

3. Historic scores have been restated to reflect changes in methodology. Refer to Appendix D for further details.

## Rationale for the weighting scheme

CEM considered the following 7 criteria to determine the weights used to calculate your total service score:

1. **Feedback from Participants**

The weights reflect feedback from participants solicited at on-site meetings, symposiums and peer conferences.

2. **Relative Cost of Each Activity**

As shown in section 3, the average participant spends 5.1% of its annual budget on member calls versus 1.7% for 1-on-1 counseling. Thus, based solely on relative cost, member calls are 3.0 times more important than 1-on-1 counseling.

3. **Relative Volume of Each Activity** (i.e., how many times does the service 'touch' a member?)

The average system does 28 pension inceptions and receives 647 member calls for every 1,000 active members and annuitants. Thus, based solely on relative volume, calls are 23.1 times more important than pension inceptions.

4. **Expectations Based on External Experience**

Members have external comparisons for receiving payments, telephone calls, and annual statements (for example, they can compare some of your services with the services provided by their bank). However, it is unlikely that they can compare a pension inception. It is important to recognize that members can compare some processes externally.

5. **Personalized Human Contact**

Research shows that human contact provides the greatest opportunity for generating customer satisfaction. Thus, based solely on personalized human contact, counseling and calls are more important than 'no contact' activities such as the website or paying pensions.

6. **About Members' Money**

Nothing gets a member's attention faster than their own money. Based on this criterion, things like benefit calculators linked to member data, benefit statements and paying pensions are much more important than newsletters or brochures.

7. **Mission Critical**

Paying pensions is mission critical. Producing newsletters is not.

## Service Trends

Service Score Trends by Activity															
Activity	You					4-Year <sup>1</sup> Peer Average					4-Year <sup>1</sup> All Average				
	2011	2012	2013	2014	% <sup>2</sup>	2011	2012	2013	2014	% <sup>2</sup>	2011	2012	2013	2014	% <sup>2</sup>
<b>1. Member Transactions</b>															
a. Pension Payments	99	99	99	99	0.0%	100	100	99	100	0.0%	100	99	99	99	-0.3%
b. Pension Inceptions	91	91	91	91	0.0%	79	79	79	78	-0.4%	79	79	79	80	0.4%
c. Withdrawals and Transfers-out	28	10	10	28	0.0%	69	67	71	71	1.0%	67	63	64	71	2.0%
d. Purchases and Transfers-in	84	82	76	90	2.3%	75	76	78	76	0.4%	69	67	69	72	1.4%
e. Disability	82	82	82	82	0.0%	77	78	78	79	0.9%	79	79	81	82	1.3%
<b>2. Member Communication</b>															
a. Call Center	48	49	42	43	-3.6%	63	64	60	61	-1.1%	63	64	63	63	0.0%
c. 1-on-1 Counseling	68	71	73	72	1.9%	80	83	84	84	1.6%	72	75	77	77	2.3%
d. Member Presentations	91	98	100	93	0.7%	87	90	87	87	0.0%	81	83	81	81	0.0%
e. Written Pension Estimates	66	74	63	72	2.9%	76	79	81	81	2.1%	75	79	81	80	2.2%
f. Mass Communication															
• Website	22	22	22	22	0.0%	66	70	72	73	3.4%	65	68	70	70	2.5%
• News and targeted communication	29	32	32	72	35.4%	73	74	72	76	1.4%	74	75	75	76	0.9%
• Member statements	83	81	86	89	2.4%	78	79	81	81	1.3%	76	77	78	77	0.4%
<b>3. Quality Indicators</b>															
Satisfaction Surveying	9	9	34	34	55.7%	38	36	39	44	5.0%	35	36	39	41	5.4%
Disaster Recovery	41	58	58	58	12.3%	84	87	87	88	1.6%	86	88	88	89	1.1%
<b>Total Service Score</b>	<b>64</b>	<b>66</b>	<b>65</b>	<b>67</b>	<b>1.5%</b>	<b>76</b>	<b>77</b>	<b>77</b>	<b>78</b>	<b>0.9%</b>	<b>75</b>	<b>76</b>	<b>76</b>	<b>77</b>	<b>0.9%</b>

1. Trend analysis is based on systems that have participated for 4-consecutive years (14 peers and 40 World systems). This ensures that trends are not caused by changes in the composition of the participants.

2. % is the compound annual growth rate from 2011 to 2014.

Historic scores have been restated to reflect changes in methodology. Refer to Appendix D for further details. If any service question was not asked in a prior year, we used your response from the year when the question was first asked as a default.

## Where can you potentially improve your score?

Potential Improvement in Total Service Score by Activity			
Activity	Weight	Your Service Score	Potential improvement in your total service score if you scored 100 for the activity <sup>1</sup>
<b>1. Member Transactions</b>			
a. Pension Payments	19.7%	98.5	0.3 points
b. Pension Inceptions	7.4%	91.3	0.6 points
c. Withdrawals and Transfers-out	1.3%	28.0	0.9 points
d. Purchases and Transfers-in	3.1%	90.0	0.3 points
e. Disability	3.8%	82.0	0.7 points
<b>2. Member Communication</b>			
a. Call Center	21.2%	42.7	12.1 points
c. 1-on-1 Counseling	7.4%	72.0	2.1 points
d. Member Presentations	6.5%	92.6	0.5 points
e. Written Pension Estimates	4.7%	71.5	1.3 points
f. Mass Communication			
• Website	11.4%	22.0	8.9 points
• News and targeted communication	2.8%	71.5	0.8 points
• Member statements	4.7%	88.8	0.5 points
<b>3. Quality Indicators</b>			
Satisfaction Surveying	5.0%	34.2	3.3 points
Disaster Recovery	1.0%	58.0	0.4 points
<b>Total</b>	<b>100%</b>	<b>67.2</b>	<b>32.8 points</b>

1. Each listed potential improvement to total service score equals 100 minus your 2014 score multiplied by the weight used to determine the total service score.

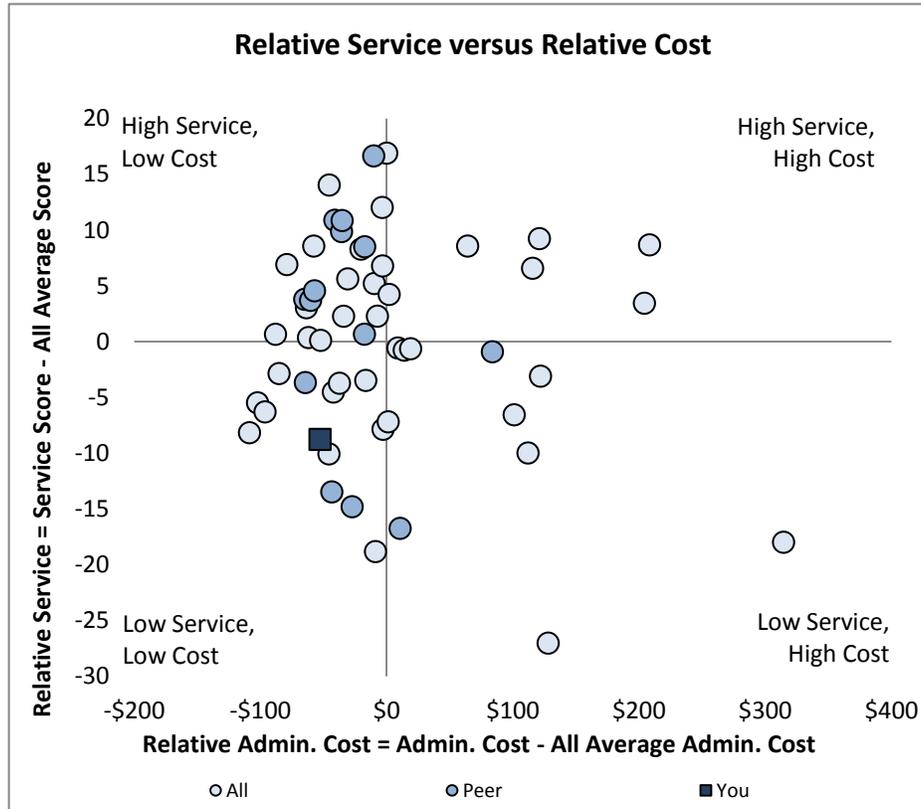
## Biggest potential improvements to your total service score

CEM is not recommending these changes. Higher service is not necessarily optimal or cost effective. We include this summary analysis because many participants want to know what they would have to do to achieve a higher score. For a complete accounting of all improvements required to achieve a perfect service score, please refer to the last pages of this section.

The table below lists five key areas where the biggest potential improvements to your total service score can be made.

Biggest potential improvements to your total service score		
Rank	Factor	Potential Improvement
# 1	On average, members calling your call center reach a knowledgeable person in 208 seconds. To achieve a perfect service score, members must reach a knowledgeable person on the phone in 20 seconds or less.	+ 3.82
# 2	Your interactive calculator is not linked to member data. To achieve a perfect service score you must link member data to your interactive calculator.	+ 2.27
# 3	11.6% of your incoming calls resulted in undesired outcomes. To achieve a perfect service score, members must experience no undesired call outcomes.	+ 1.97
# 4	You have 3 menu layers. To achieve a perfect service score you must have one or fewer menu layers.	+ 1.70
# 5	0.6% of your total 1-on-1 sessions were located in the field. To achieve a perfect service score, the number of 1-on-1 sessions located in the field must be 25% or more.	+ 1.01

## Relationship between service and pension administration cost

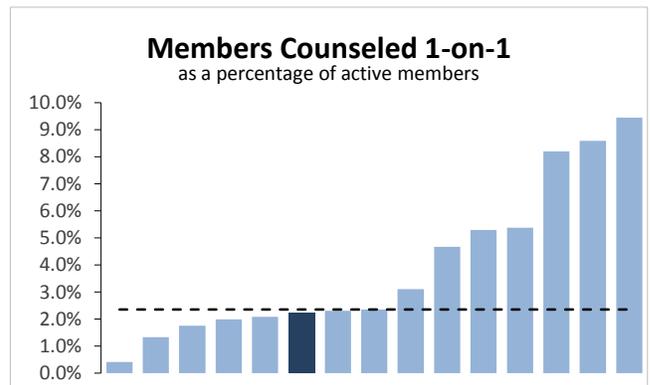
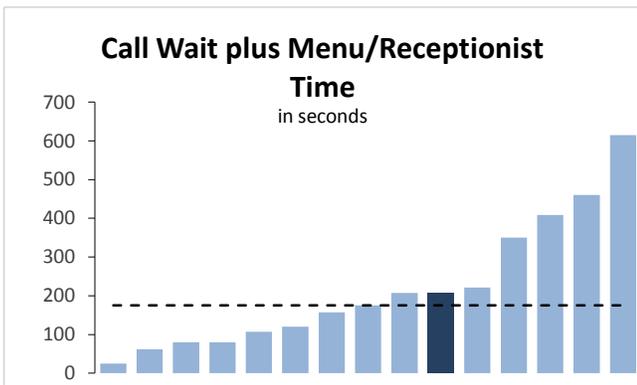
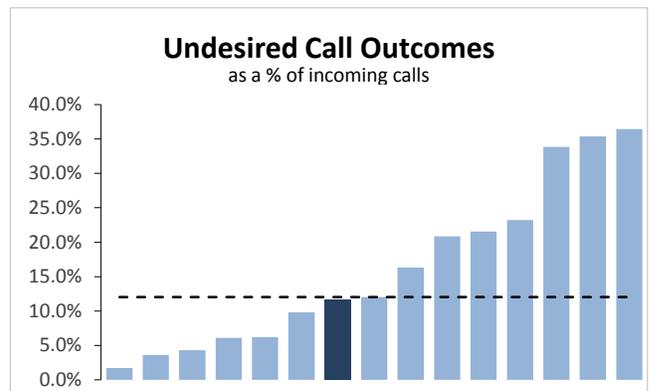
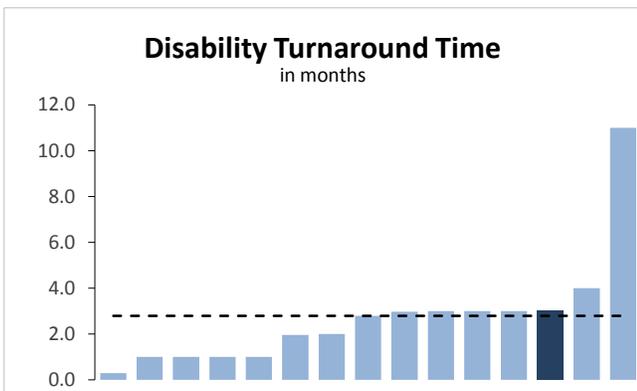
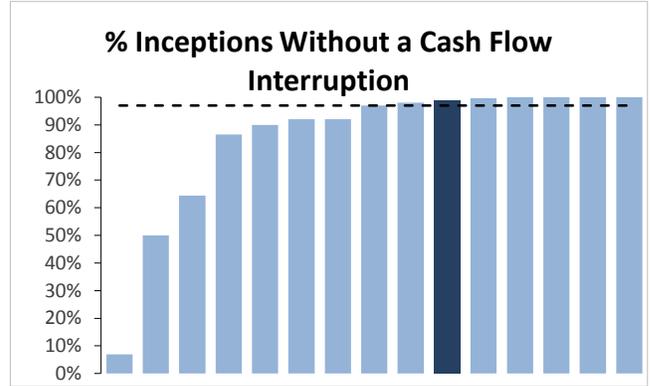
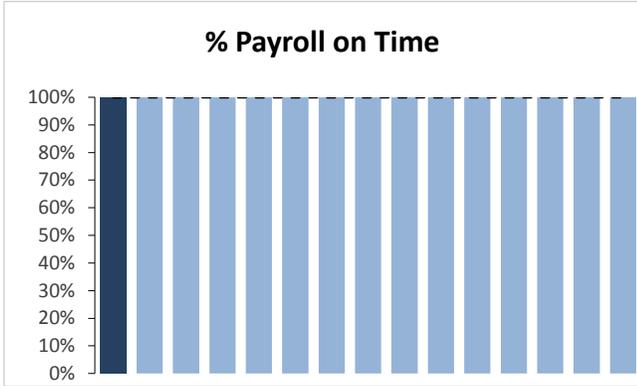


Service scores are not good predictors of costs because:

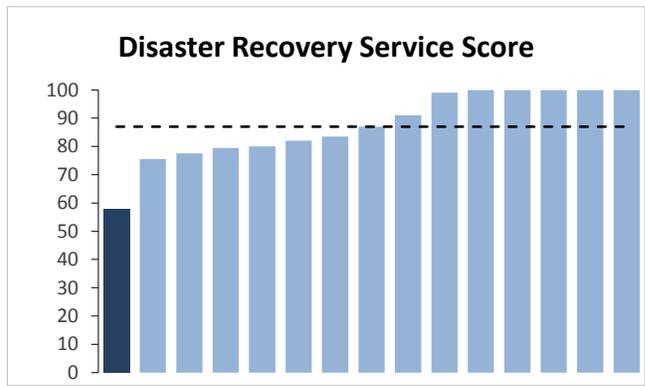
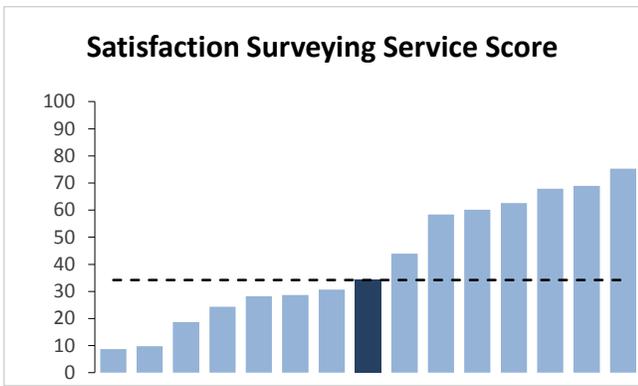
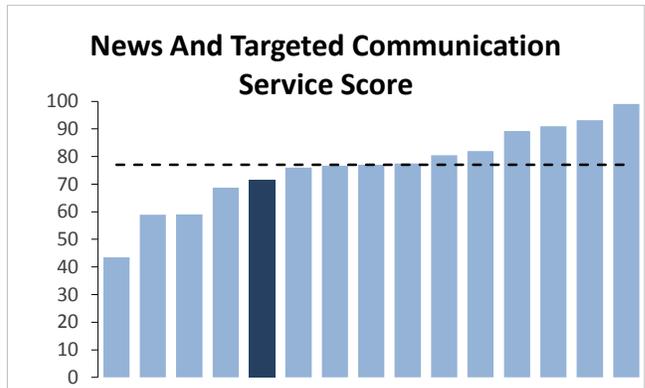
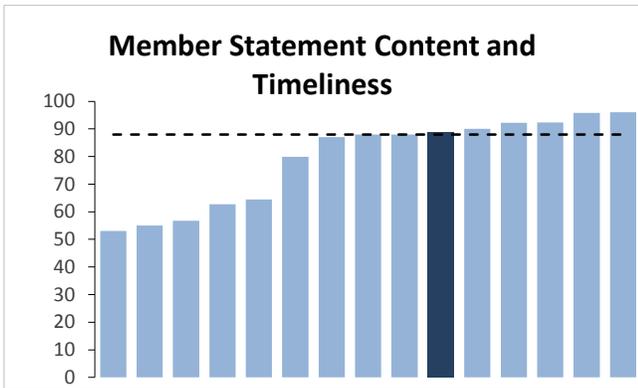
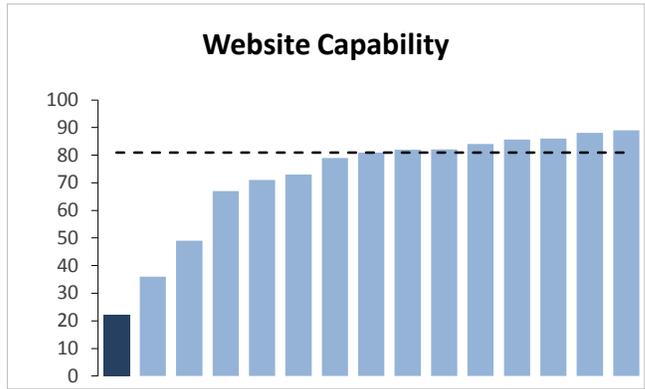
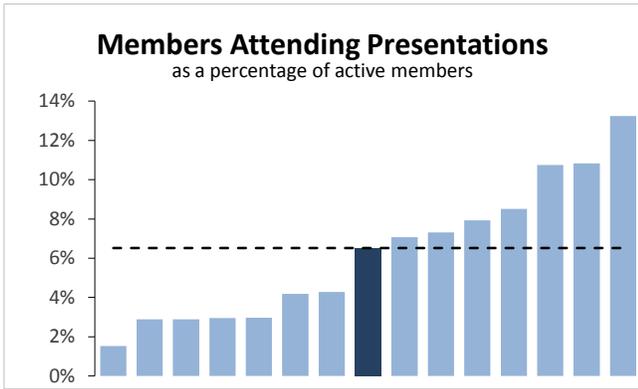
- Costs are driven much more by the volume of service transactions (e.g., the number of calls, 1-on-1 sessions, presentations, etc.) than they are by their timeliness, availability, or quality.
- Service is partly a function of historic investment in information technology. These historic costs are not always reflected in current administration costs.

# Graphical comparison of key measures

This page shows key service metrics that are especially important from a member's perspective.

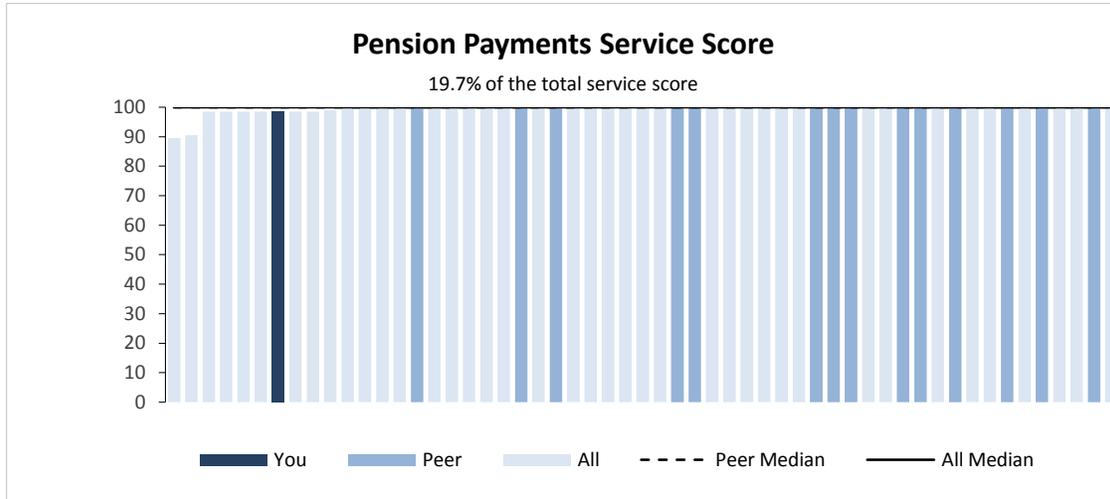


# Graphical comparison of key measures



# 1A Pension Payments

Your service score for paying pensions was 99 out of 100. This was below the peer median of 100.

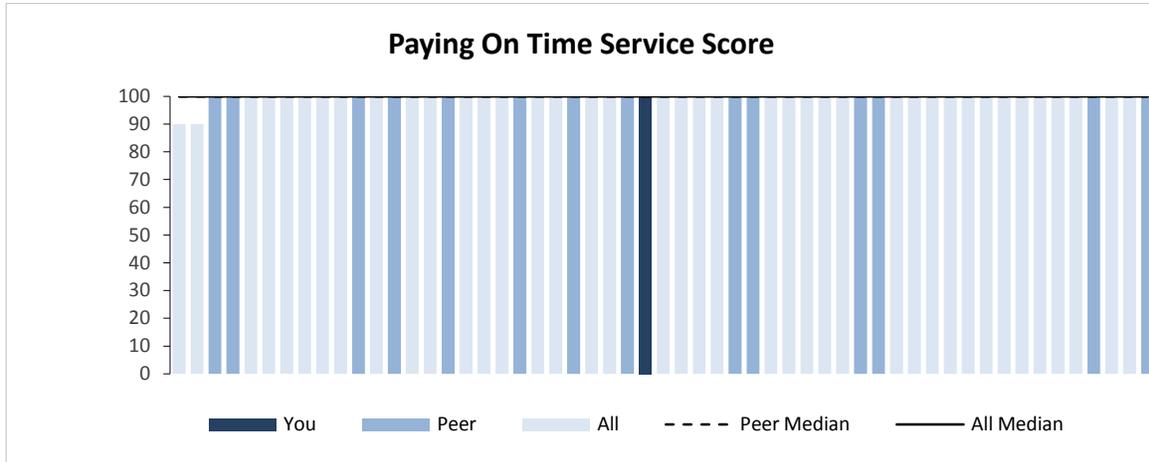


Your service score for 1a pension payments is the weighted total of the components shown in the table below. The methodology and data used to determine your scores for each of these components is described in detail on the following pages.

Pension Payments Service Score Components		
	Weight	Your Score
a. Paying on time	95%	100.0
b. Payment advices	5%	70.0
<b>Weighted Total</b>	<b>100%</b>	<b>98.5</b>

## a. Paying on time

Your service score for paying on time was 100 out of 100. This was equal to the peer median.



1. Scoring method	Your Data	Your Score
+ 100 if none of your pension payrolls were late vis-à-vis your normal payment cycle, otherwise 100 - (10 X number of late payrolls X average days late)	n/a	100
<b>Total score</b>		<b>100</b>

### 2. Rationale for the scoring method

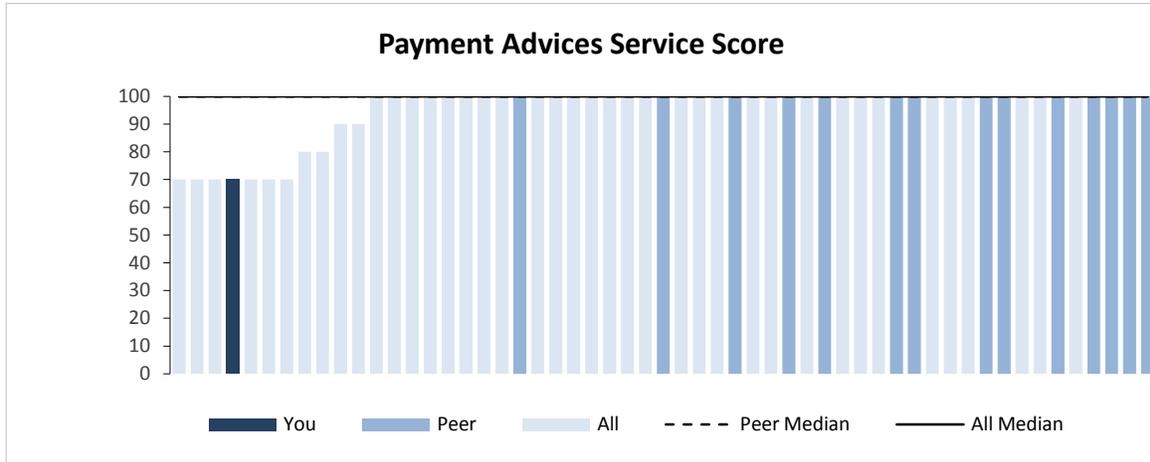
Paying pensions on time is a critical component for all retirement systems. A perfect score requires that all regular payments are paid on time to the correct annuitants.

### 3. Survey questions used

	You	Peer Avg
Q11 Were any of your pension payrolls late vis-à-vis your normal payment cycle? [For example, a payroll might be late because of IT system problems, etc.]	No	0% Yes
a) How many payrolls were late?	n/a	n/a
b) On average, how many days late were they?	n/a	n/a

## b. Payment advices

Your service score for payment advices was 70 out of 100. This was below the peer median of 100.



1. Scoring method		Your Data	Your Score
+ 100	if payment advices can be viewed online	No	0.0
<u>Or if you send payment advices by paper:</u>			
+ 80	if you send payment advices detailing the gross payment and deductions with every payment, 70 if every time amount changes, 50 if payment advices are sent quarterly, otherwise 0	Every Time Amount Changes	70.0
+ 20	if you can comply with a request not to send a payment advice	No	0.0
Total score			70.0

### 2. Rationale for the scoring method

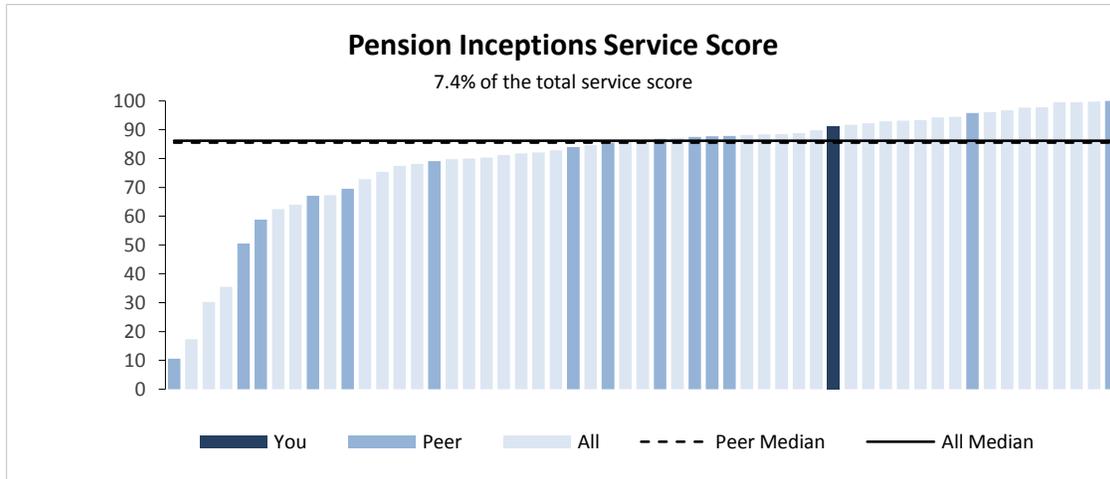
Paperless is most cost-effective. Therefore, systems that provide payment advices online get full points. Alternatively, systems that still send paper and can comply with a members request not to send payment advices, also receive the highest score.

## b. Payment advices

3. Survey questions used		You	Peer Avg
Q13	Do you send out payment advices (i.e., gross/ net specifications) in paper format to members receiving EFT payments?	Yes	93% Yes
	a) How frequently do you send payment advices with your EFT payments detailing the gross payment and deductions?	Every Time Amount Changes	6 times
	b) Can you comply with a member's request not to send them payment advices?	No	21% Yes
Q82	Indicate whether the following capabilities are available on your website and provide volumes:		
	o) View pension payment details? [i.e., gross amounts, deductions]	No	93% Yes

## 1B Pension Inceptions

Your service score for pension inceptions was 91 out of 100. This was above the peer median of 86.

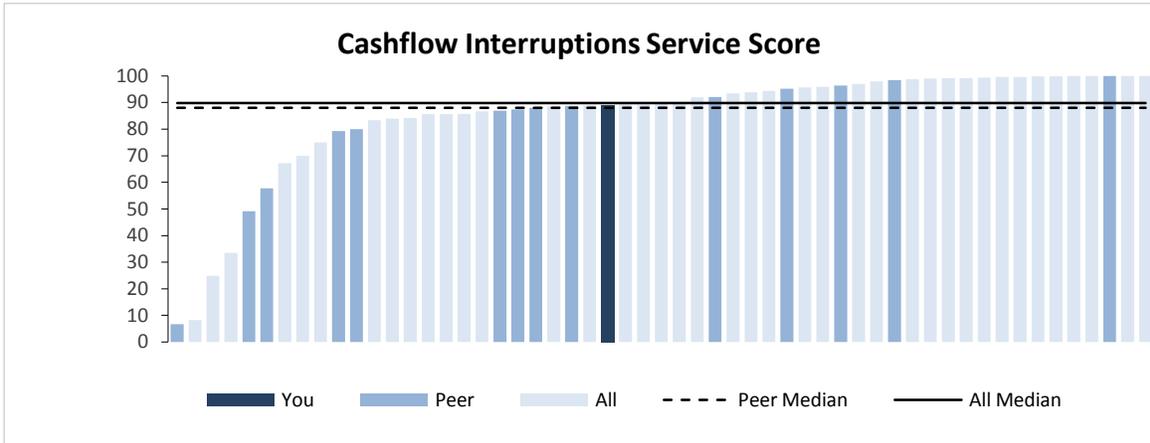


Your service score for 1b pension inceptions is the weighted total of the components shown in the table below. The methodology and data used to determine your scores for each of these components is described in detail on the following pages.

<b>Pension Inceptions Service Score Components</b>		
	Weight	Your Score
a. Cashflow interruptions	78%	89.0
b. Survivor pensions	11%	99.0
c. Red tape	11%	100.0
<b>Weighted Total</b>	<b>100%</b>	<b>91.3</b>

## a. Cashflow interruptions

Your service score for cashflow interruptions was 89 out of 100. This was above the peer median of 88.



1. Scoring method	Your Data	Your Score
+ 100 if 100% of your service pensions were inceptioned without a cashflow interruption greater than 1 month, otherwise 100 X percent of inceptions that occur within 1 month of final paycheck	99.0%	99.0
If a service retirement is based on estimates, less: 10 X percent of service retirements based on estimates X average number of months to finalize / 3 [Subject to a maximum deduction of 10 and a minimum score of 0]	Yes 99.0% 6.0	-10.0
<b>Total score</b>		<b>89.0</b>

### 2. Rationale for the scoring method

Retiring members should not experience a cash flow interruption between their final pay check and their first pension check. A cash flow interruption could cause financial hardship.

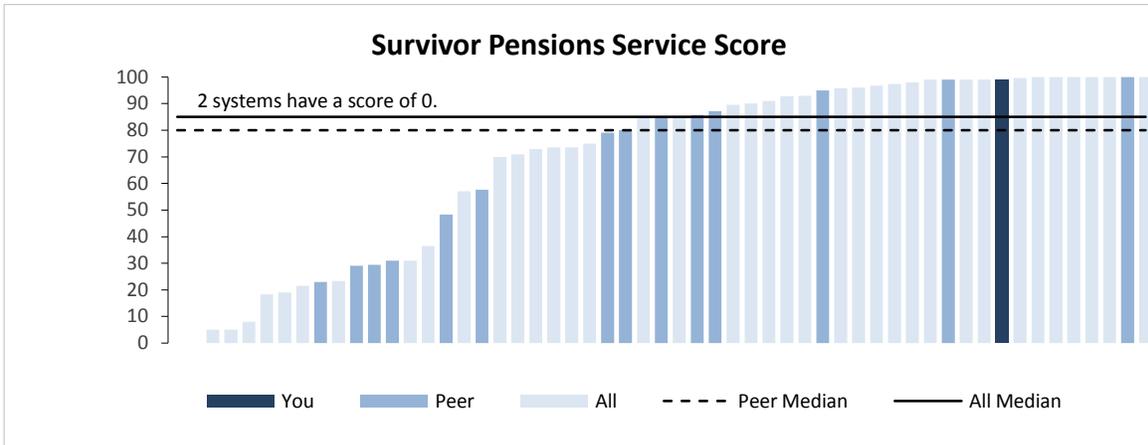
When pension payments are based on estimates, the sooner the amount is finalized, the better because estimates can cause financial uncertainty.

## a. Cashflow interruptions

3. Survey questions used		You	Peer Avg
Q17	What percentage of annuity inceptions for: a) Retiring active members are paid without an interruption of cash flow greater than 1 month between the final pay check and the first pension check?	99.0%	85.0%
Q18	Will you initiate a service retirement pension based on existing data or estimates, recognizing that you will have to finalize the payments later after you get final data? a) If yes, what proportion of your service retirement inceptions to retiring active members was based on existing data or estimates? b) On average, how long did it take to finalize service retirement inceptions based on estimates? (in months)	Yes 99.0%	93% Yes 71.9%
		6.0	3.3 months

## b. Survivor pensions

Your service score for survivor pensions was 99 out of 100. This was above the peer median of 80.



1. Scoring method		Your Data	Your Score
+ 100	if all of your survivor pensions were inceptioned without a cashflow interruption greater than 1 month, otherwise: 100 x percent of pensions paid without interruption to survivors	99.0%	99.0
Total score			99.0

### 2. Rationale for the scoring method

An interruption in a pension benefit at the death of the primary annuitant creates potential hardship for the survivor at a difficult time. A perfect score requires that all survivor pensions are paid without interruption.

### 3. Survey questions used

		You	Peer Avg
Q17	What percentage of annuity inceptiones for: b) Survivors are paid without an interruption of cash flow between the pensioner's final pension check and the survivor's first pension check?	99.0%	68.5%

## c. Red tape

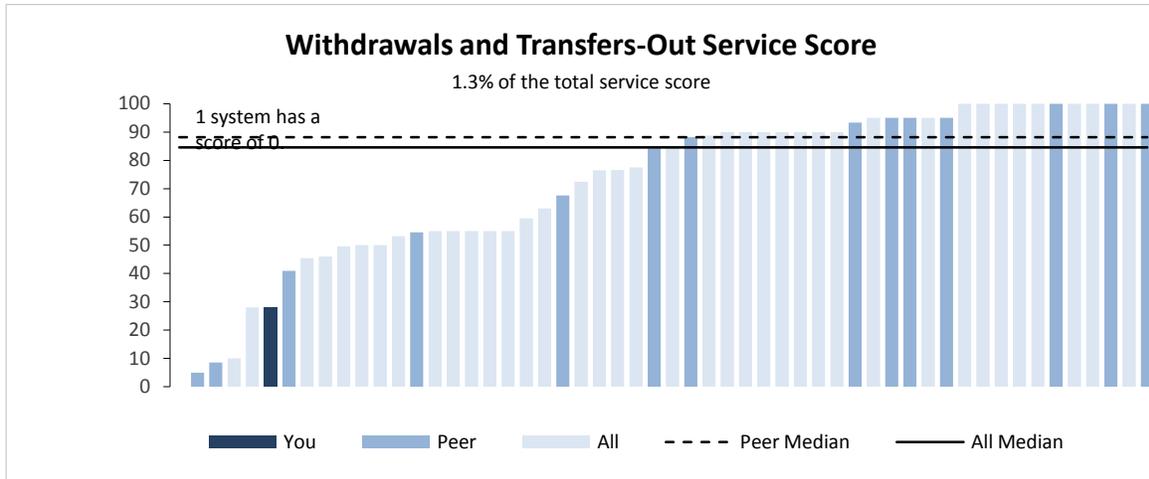
1. Scoring method		Your Data	Your Score
+ 80	if you do not require notarization of retirement applications, or + 40 if you require notarization of some retirement applications	not required	80.0
+ 20	if you do not require birth/marriage certificates before incepting a pension	not required	20.0
Total score			100.0

2. Rationale for the scoring method
Extra red tape creates work for members and may not provide additional protection for the system. For example, notarizations can be fraudulent. Many systems have decided that the potential risk reduction does not justify the inconvenience caused to members.

3. Survey questions used		You	Peer Avg
Q19	Do you require birth certificates and/or marriage certificates before incepting a pension?	No	47% Yes
Q20	Do you require notarization of normal or early retirement applications?	No	27% Yes

## 1C Withdrawals and Transfers-out

Your service score for refunds, transfers-out and withdrawals was 28 out of 100. This was below the peer median of 88.



1. Scoring method		Your Data	Your Score
<u>Withdrawal timeliness</u>			
+ 45	if withdrawals are completed in 30 days or less, otherwise 45 - 1.8 for each day over 30 days [Subject to a minimum score of 0]	120 days	0.0
<u>Transfers-out timeliness</u>			
+ 45	if transfers-out are completed in 30 days or less, otherwise 45 - 0.9 for each day over 30 days [Subject to a minimum score of 0]	60 days	18.0
<u>No red tape</u>			
+ 10	if you do not require notarization for refund or transfer-out applications, 5 if some applications require notarization, 0 if notarization is required	not required	10.0
Total score			28.0

### 2. Rationale for the scoring method

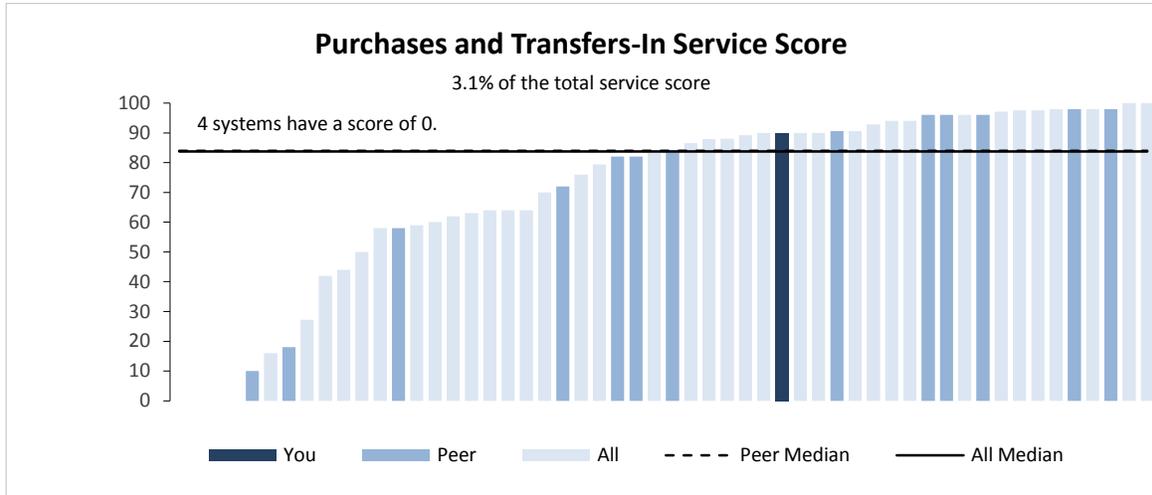
Speed from request to completion is what matters to members, regardless of whether the delays are caused by internal or external parties.

## 1C Withdrawals and Transfers-out

3. Survey questions used		You	Peer Avg
Q22	How long does it take on average for you to issue a refund check, including any required wait period, beginning from the time of the initial request by the member (in days)?	120	41 days
	a) Are you legislated to have a wait period before you can effect a refund?	No	53% Yes
	b) If yes: How long is the wait period? (in days)	n/a	35 days
	c) If yes: Can the wait period be waived?	n/a	38% Yes
Q23	How long does it take on average for you to complete individual transfers-out to external systems, including delays caused by external parties, beginning from the time of:		
	a) Initial request by the member (in business days)?	60	55 days
Q24	Do you require notarization of refund or transfer-out applications?	No	7% Yes

## 1D Purchases and Transfers-in

Your service score for purchases and transfers-in was 90 out of 100. This was above the peer median of 84.



1. Scoring method		Your Data	Your Score
<u>Service credit purchase estimates</u>			
+ 80	if you can provide an estimate in 1 day or less, otherwise 80 - 2 per day over 1 day [Subject to a minimum score of 0]	5 days	72.0
<u>Transfers-in</u>			
+ 20	if a member's transfer-in application is processed within 1 month, otherwise 20 - 2 per month over 1 month [Subject to a minimum score of 0]	2.0 months	18.0
Total score			90.0

### 2. Rationale for the scoring method

From a member perspective, faster is higher service.

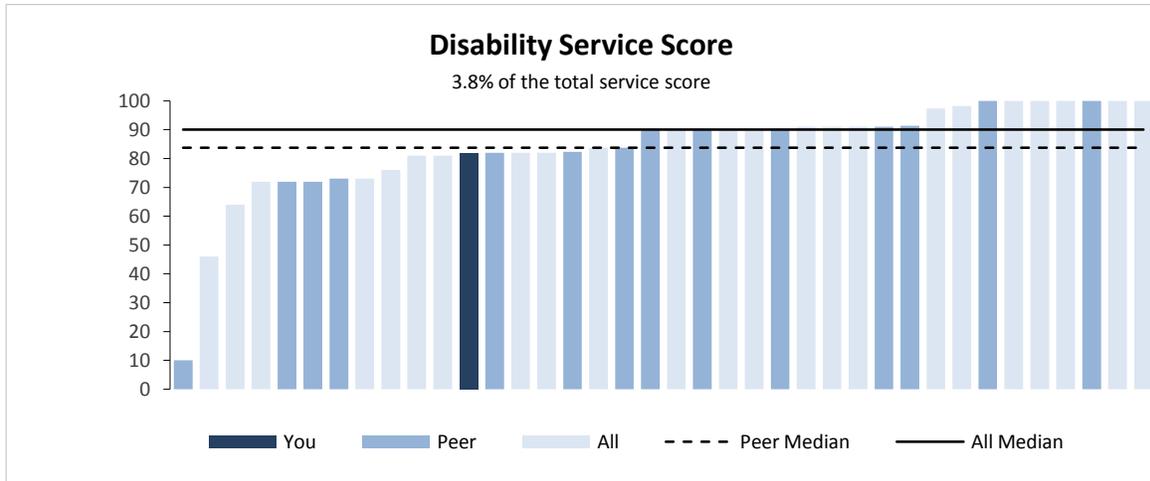
The score for transfers-in is mostly based on your own timeliness. A small part of the score is based on the total time it takes to complete transfers-in (i.e. including delays caused by third parties). Speed from request to completion is what matters to members, regardless of whether the delays are caused by internal or external parties.

## 1D Purchases and Transfers-in

3. Survey questions used		You	Peer Avg
Q27	On average, how many business days does it take from the date of first request to provide a written service credit purchase cost?	5	23 days
Q28	How long does it take on average for you to do individual transfers-in? [Months from request to completion including delays caused by external parties]	2	1 month

## 1E Disability

Your service score for disability was 82 out of 100. This was below the peer median of 84.



1. Scoring method		Your Data	Your Score
+ 90	if you return a decision on a disability application in 1 month or less, otherwise 90 - 9 for each month over 1 month [Subject to a minimum score of 0]	3.0 months	72
+ 10	if you do not require notarization of disability applications, 5 if some applications require notarization, 0 if notarization is required	not required	10
Total score			82

### 2. Rationale for the scoring method

Taking more than 1 month to return a decision in a disability application can cause financial insecurity for members. Faster turnaround times are higher service from the member's perspective.

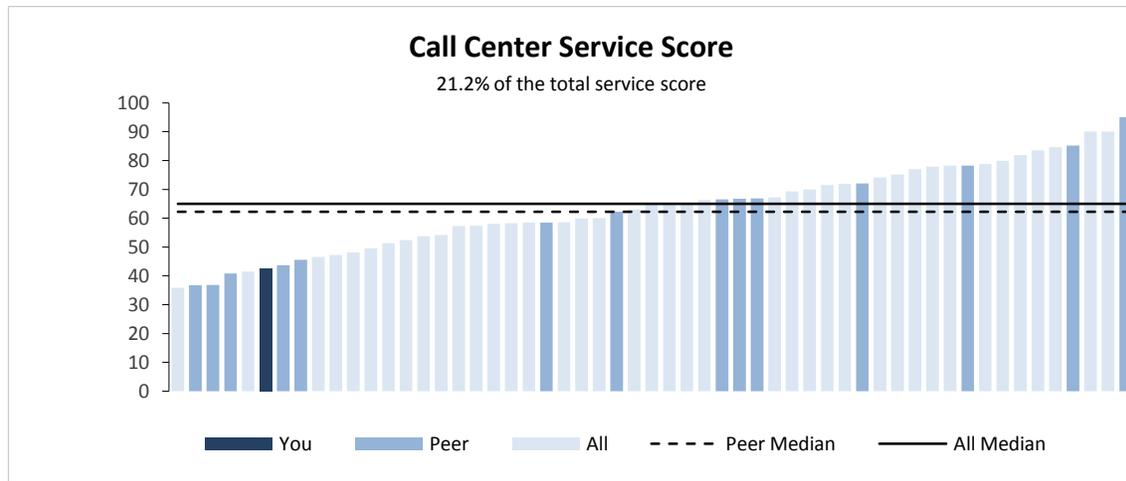
Requiring notarization causes delays and inconvenience from the member's perspective.

### 3. Survey questions used

		You	Peer Avg
Q32	How many months, on average, does it take to return a decision on a disability application from: a) date of initial request from a member?	3.0	3 months
Q35	Do you require notarization of disability applications?	No	33% Yes

## 2A Call Center

Your call center service score was 43 out of 100. This was below the peer median of 62.

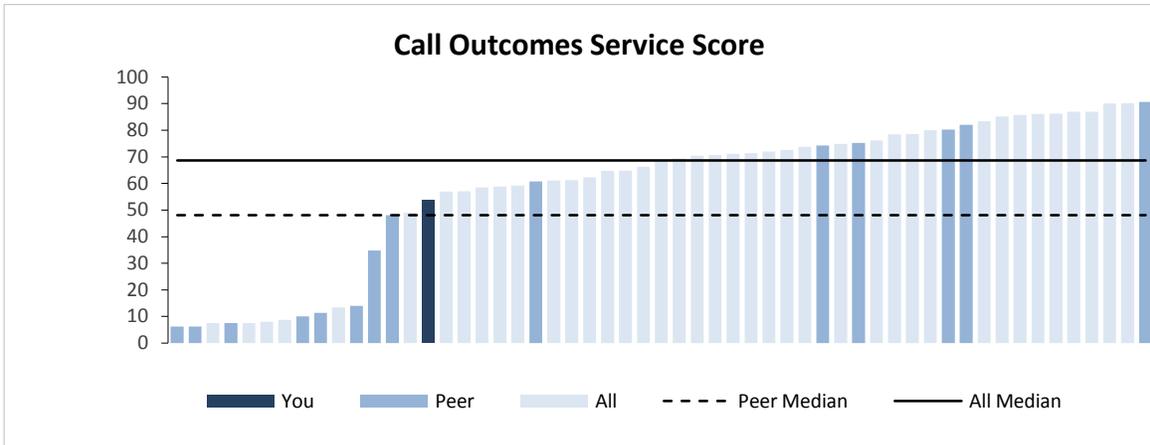


Your service score for 2a call center is the weighted total of the components shown in the table below. The methodology and data used to determine your scores for each of these components is described in detail on the following pages.

Call Center Service Score Components		
	Weight	Your Score
a. Call outcomes	20%	53.6
b. Call wait time	20%	2.0
c. Menu layers	10%	20.0
d. CRM and other capability	35%	49.5
e. Call quality	15%	81.5
<b>Weighted Total</b>	<b>100%</b>	<b>42.7</b>

## a. Call outcomes

Your service score for call outcomes was 54 out of 100. This was above the peer median of 48.



1. Scoring method		Your Data	Your Score
+ 90	if members experience no undesired call outcomes		90.0
	- % of calls resulting in other undesired outcomes X 400	11.6%	<u>-46.4</u>
	[Subject to a minimum score of 0]		43.6
+ 10	if your call center is open 50 or more hours a week, otherwise 10 - 0.5 for each hour less than 50 hours per week		
	[Subject to a minimum score of 0]	50.0	10.0
Total score			53.6

### 2. Rationale for the scoring method

A perfect score requires that all calls either get through to a knowledgeable person or are satisfied by self-serve options.

Shorter business hours are treated as an undesired outcome because after-hour callers do not reach a knowledgeable person.

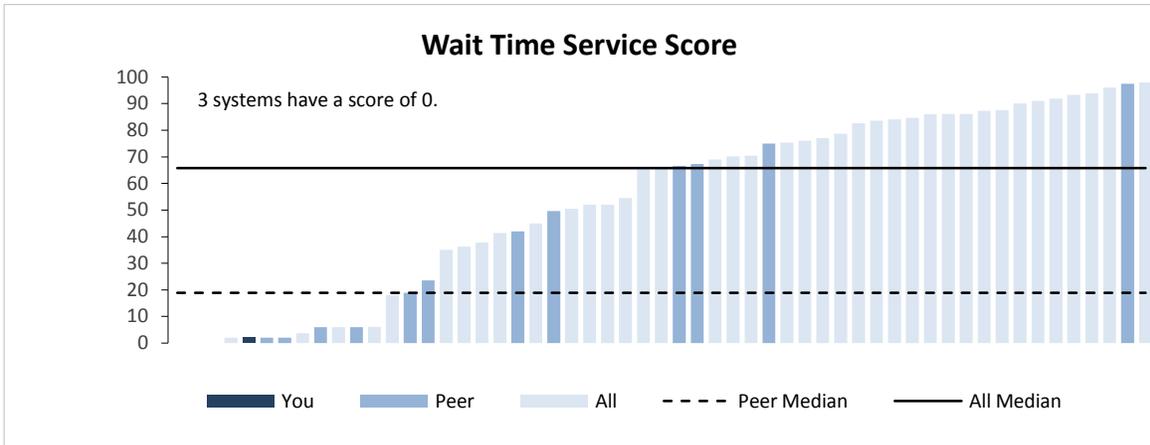
## a. Call outcomes

3. Survey questions used		You	Peer Avg
	<u>Desired call outcomes</u>		
Q36	a) Incoming calls that reach and are responded to by a knowledgeable service representative (i.e., exclude messages, etc.)? c) Incoming calls satisfied by self-serve options, if any?	144,451	
		<u>35,765</u>	
	Total desired call outcomes (A)	180,216	
	<u>Undesired call outcomes during business hours</u>		
Q37	a) # Busy signal, never enters the system? b) # Caller gets pre-recorded 'call another time' message during business hours? c) # Voice mail takes a message during business hours? d) # Abandoned calls i.e. caller hangs-up while in a menu? e) # Abandoned calls i.e. caller hangs-up while in a queue or on hold? f) # System hangs up on caller (or sends the caller back to the main menu) after he/she has waited in the queue longer than a pre-set time or if the queue becomes full? g) # System sends the caller back to the main menu after he/she has waited in the queue longer than a pre-set time or if the queue becomes full? h) # Busy signal after navigating an automated attendant menu, or after being transferred by a receptionist? i) # Call rings unanswered during business hours? # Receptionists takes a message	2,575 n/a n/a 10,155* 10,941  n/a n/a n/a n/a	
Q42	If you have a callback feature, # of callback requests that were not completed Total undesired call outcomes during business hours (B) Undesired outcomes as a percentage of total incoming calls (B / C)	<u>n/a</u> 23,671 11.6%	16.2%
	Total incoming calls (C = A + B)	203,887	
	<u>Undesired outcomes after business hours</u>		
Q52	How many hours per week is your 'call center' operational?	50h	47.2h

\* Your response was 'unknown'. A default was applied. See 'Appendix D' for details.

## b. Call wait time

Your service score for call wait time was 2 out of 100. This was below the peer median of 19.



1. Scoring method		Your Data	Your Score
<u>Calls</u>			
+ 90	if members reach a knowledgeable person in 20 seconds or less, otherwise 100 - 0.5 per second to reach a knowledgeable person [Subject to a minimum score of 0]	208 seconds	0.0
+ 2	if member is notified of expected wait time, or their place in the queue, when the expected wait exceeds a certain threshold	No	0.0
<u>Emails</u>			
+ 8	if wait time is 0.5 days or less, otherwise 8 - 4 for each day over 0.5 days [Subject to a minimum score of 0]	2.0 days	2.0
<b>Total score</b>			<b>2.0</b>

### 2. Rationale for the scoring method

A perfect score requires callers to reach a knowledgeable person with minimal wait time, to be notified of their expected wait time, and a turnaround for emails of half a day or faster.

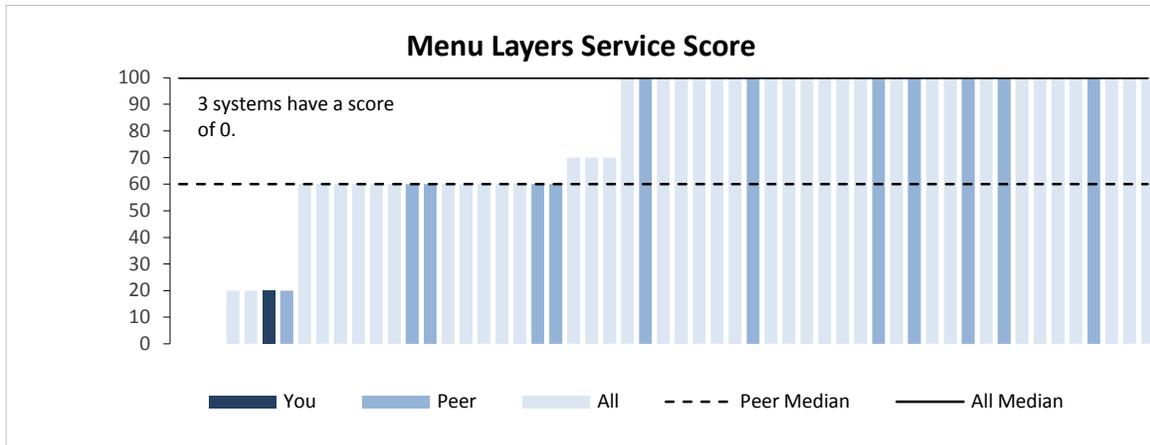
## b. Call wait time

3. Survey questions used		You	Peer Avg
	Average total time in seconds for a caller to reach a knowledgeable person. This is the sum of the time to:	208	218
	<u>(1) Navigate menus</u>		
Q38	If you have a menu:	Yes	93% Yes
	b) What is the average time in seconds that it would take a caller to negotiate the menu and listen to menu options before the caller is forwarded to a live person (or queue for a live person)? (A)	60	76
	c1) If yes, what percentage of calls is the menu system by-passed? (B)	<u>n/a</u>	<u>n/a</u>
	Adjusted time to navigate the menu = (A) X [1 - (B)]	60	76
	<u>(2) Navigate receptionists</u>		
Q39	If a receptionist usually responds first to member calls:	No	0% Yes
	Do you have a queue for the receptionist(s)?	n/a	n/a
	a1) If yes, what is the average wait time in seconds in the queue for the receptionist(s)? (A)	n/a	n/a
	If no, average time to get through to the receptionist (i.e., time on hold etc.) is assumed to be 10 seconds	n/a	n/a
	b) Average time in seconds for a caller to explain his needs to a receptionist (assumed to be 25 seconds). (B)	n/a	n/a
	b1) Satisfied by the receptionist without forwarding? (C)	<u>n/a</u>	<u>n/a</u>
	Adjusted time to navigate receptionists = (A) + (B) X [1 - (C)]	n/a	n/a
	<u>(3) Wait in queue</u>		
Q40	If you have a queue for a pool of knowledgeable staff:	Yes	100% Yes
	a) Average wait time in seconds in queue for a service representative?	148	147
	b) % of calls forwarded by a receptionist, if applicable, to the queue.	<u>n/a</u>	<u>n/a</u>
	Adjusted wait in the queue = (A) X (B), if applicable	148	147
Q41	Does your system notify the caller of the expected wait time, or their place in the queue, for reaching a knowledgeable service rep when they first call in?	No	36% Yes
Q53	Can members communicate questions using email?	Yes	93% Yes
	a) What is the average time (in business days) to respond to an email query? Do not include auto-responses or confirmation of email receipt.	2.0	1.9 days

The sum of the peer average time to navigate menus, receptionists and wait in queue will add to more than the whole because non-applicable responses are not included in the averages.

## c. Menu layers

Your service score for menu layers was 20 out of 100. This was below the peer median of 60.



1. Scoring method		Your Data	Your Score
+ 100	if one or fewer menu layers, 60 if 2 menu layers, 20 if 3 menu layers, 0 if 4 or more menu layers	3	20.0
- 30	if a receptionist is the first point of contact.	No	0.0
Total score			20.0

## c. Menu layers

### 2. Rationale for the scoring method

Members prefer to get through to a knowledgeable person who can answer their questions immediately. Irritation increases rapidly with the number of menu layers.

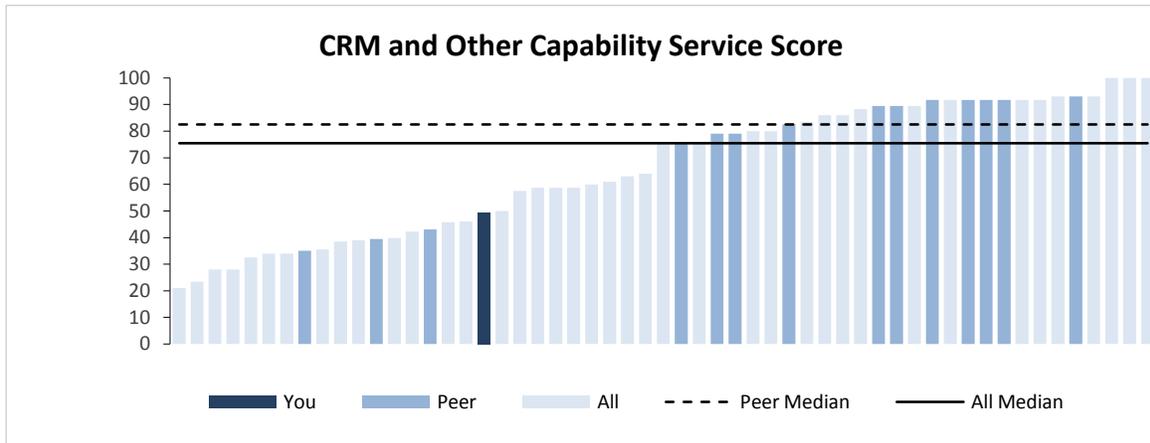
Receptionists are often more irritating than a menu layer because of the need to explain your needs twice, incorrect redirection, etc.

### 3. Survey questions used

		You	Peer Avg
Q38	Do you have a menu system that callers negotiate before speaking to someone? a) If yes, what is the average number of menu layers that must be navigated before a caller can speak to a live person?	Yes  3	93% Yes  2
Q39	When a member calls in, is the first point of human contact usually a receptionist(s) who transfers a high proportion of calls elsewhere in the organization? (indicate no if most calls go directly to a call center)	No	0% Yes

## d. CRM and other capability

Your service score for CRM and other capability was 50 out of 100. This was below the peer median of 83.



## d. CRM and other capability

1. Scoring method		Your Data	Your Score
<u>If you are able to provide the following information on an immediate real-time basis or conduct the following transactions over the phone:</u>			
+ 10	estimate of the member's pension at retirement	No	0.0
+ 12	estimate is linked to the member's actual account data	n/a	0.0
+ 7	model alternate annuity payment scenarios	n/a	0.0
+ 7	provide refund or transfer value if member exited employment at time of call	Yes	7.0
+ 4	provide pensionable salary	Yes	4.0
+ 4	provide service credit history including gaps	No	0.0
+ 7	estimate cost to purchase service credit	No	0.0
+ 7	change address	Yes	7.0
+ 7	change banking information	Yes	7.0
+ 7	add or change email address	No	0.0
<u>If you offer the following tools to help serve callers better:</u>			
+ 3.5	record of the member's previous calls to the system	Yes	3.5
+ 3.5	copies of recent correspondence online	Yes	3.5
+ 3.5	knowledge based online help system available for use by the service representative	Yes	3.5
+ 3.5	most recent member statement	Yes	3.5
+ 3.5	beneficiary information	Yes	3.5
+ 3.5	toll free number	Yes	3.5
+ 3.5	workflow system with the real-time status of open items	Yes	3.5
+ 3.5	call volume projections	No	0.0
Total score			49.5

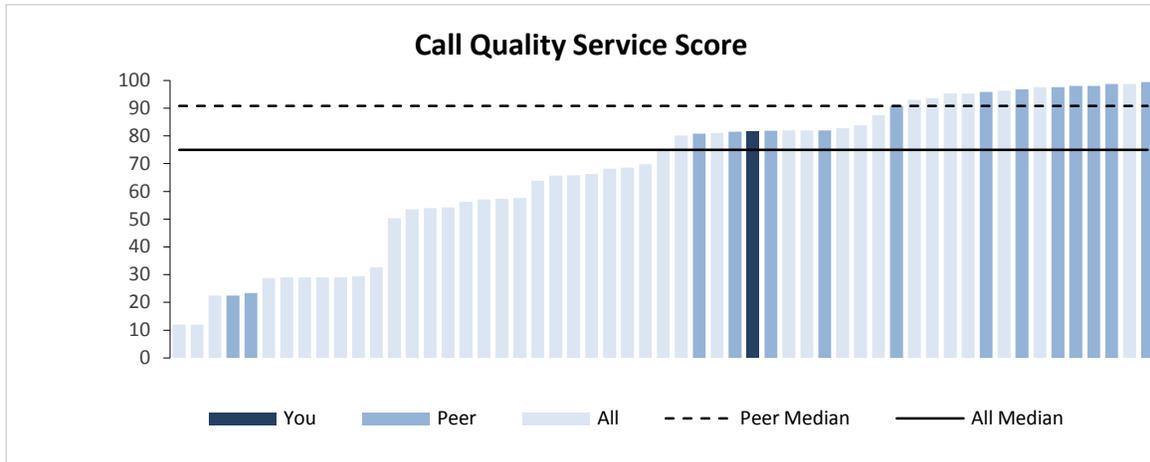
2. Rationale for the scoring method
<p>You can serve your members better if you have real time access to all of their records, have tools that enable you to provide immediate, informed and accurate answers to their questions, and can conduct transactions over the phone.</p> <p>Your ability to serve members is greatly reduced if your capabilities or policies prevent you from answering questions over the phone.</p>

## d. CRM and other capability

3. Survey questions used		You	Peer Avg
Q45	When a member calls in, do you have immediate computer access to the following member data:		
	a) Record of the member's previous calls to the system?	Yes	80% Yes
	b) Copies of recent correspondence online?	Yes	100% Yes
	c) Knowledge based online help system available for use by the service representative?	Yes	87% Yes
	d) Most recent member statement?	Yes	100% Yes
	e) Beneficiary information?	Yes	100% Yes
Q46	Do your service representatives have real-time access to a workflow system that lets them know the status of open items?	Yes	100% Yes
Q47	Can and will you provide the following information on an immediate real-time basis to members over the phone?		
	a) Estimates of the member's pension at retirement?	No	73% Yes
	a1) If yes, can you easily model and provide alternate annuity payment scenarios? [i.e., joint and 50% survivor, joint and 70% survivor, etc.]	n/a	73% Yes
	a2) If yes, is the estimate based on an interactive benefit calculator linked to the member's actual account data?	n/a	73% Yes
	b) Refund or transfer value assuming the member exited employment at the time of the call?	Yes	93% Yes
	c) Pensionable salary?	Yes	93% Yes
	d) Service credit history including gaps?	No	82% Yes
	e) Cost to purchase service credit?	No	53% Yes
Q48	Can members calling in perform the following transactions over the phone:		
	a) Change address?	Yes	73% Yes
	b) Add or change email address?	No	55% Yes
	c) Change payment instructions? [i.e., bank account]	Yes	13% Yes
Q50	Do you have and use tools to help you project call volumes?	No	93% Yes
Q51	Do you have a toll free number (or a number where members are only charged the cost of a local call no matter where they are located) that members can call to get a real person (not just an info line)?	Yes	100% Yes

## e. Call quality

Your service score for call quality monitoring was 82 out of 100. This was below the peer median of 91.



1. Scoring method		Your Data	Your Score
<u>Call quality monitoring</u>			
+ 55	if you review your staff's responses to member calls for coaching purposes 4 or more times per month; otherwise 13.75 X # of times per month you review calls	3	41.3
+ 15	if the review is based on listening in on a recording (versus a live call)	Recording	15.0
<u>First contact resolution</u>			
+ 30	if 100% of calls are satisfied by their first contact, 0 if 50% or fewer calls are satisfied by the first contact, otherwise 30 - 50 X (1 - % satisfied by the first contact) [Subject to a minimum score of 0, and 12 if not measured]	91%	25.3
<b>Total score</b>			<b>81.5</b>

## e. Call quality

### 2. Rationale for the scoring method

Regularly monitoring and coaching your staff responses to member calls will improve quality and service. Monitoring recordings is superior to listening in live because it allows more time for review and it allows staff to listen to themselves.

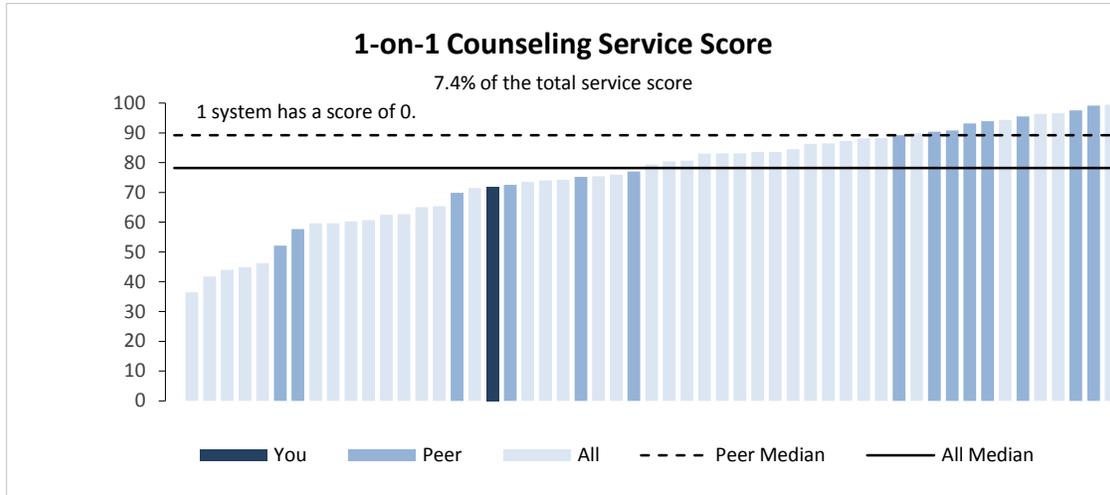
It is higher service if a caller's questions are immediately satisfied by the first contact without being transferred.

### 3. Survey questions used

		You	Peer Avg
Q43	c) % of calls satisfied by the first contact?	91%	90%
Q49	Do you review your staff's responses to member calls for coaching purposes on a regular basis? [As opposed to intermittent or only while training new service representatives, etc.]	Yes	87% Yes
	a) If yes, how many calls per agent per month (on average) do you monitor?	3	6
	b) If yes, are you listening in on a live call or a recording?	Recording	31% Live

## 2C 1-on-1 Counseling

Your service score for 1-on-1 counseling was 72 out of 100. This was below the peer median of 89.

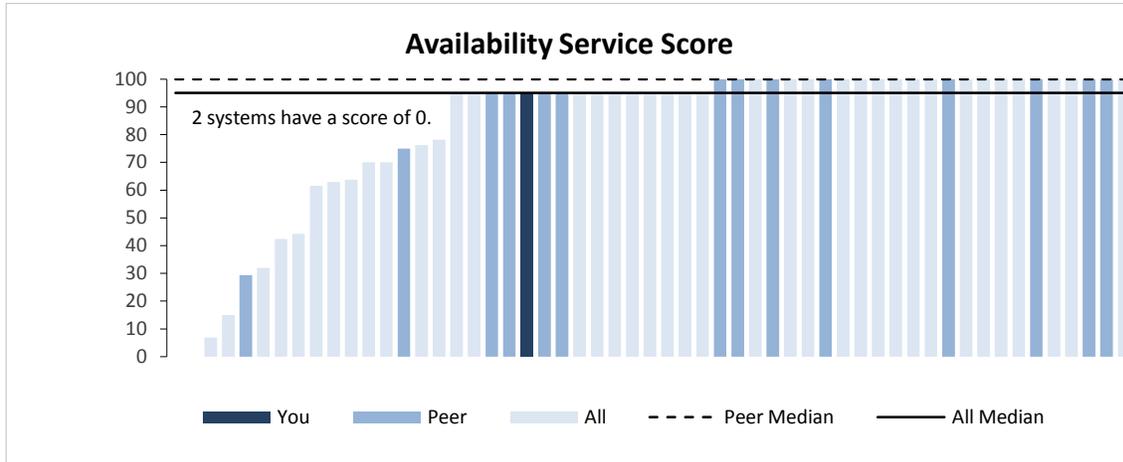


Your service score for 2c 1-on-1 counseling is the weighted total of the components shown in the table below. The methodology and data used to determine your scores for each of these components is described in detail on the following pages.

1-on-1 Counseling Service Score Components		
	Weight	Your Score
a. Availability	50%	95.0
b. Field locations	20%	31.7
c. Wait times	20%	70.9
d. Capability	10%	40.0
<b>Weighted Total</b>	<b>100%</b>	<b>72.0</b>

## a. Availability

Your service score for availability was 95 out of 100. This was below the peer median of 100.



1. Scoring method		Your Data	Your Score
+ 70	if members counseled 1-on-1 as a % of your active members is 1%* or more, otherwise 7,000 X number of members counseled 1-on-1 as a % of active members	2.2%	70.0
+ 25	if 1-on-1 counseling is freely available, without limitations	Yes	25.0
+ 5	if 1-on-1 counseling is available outside of normal working hours, otherwise 0	No	0.0
<b>Total score</b>			<b>95.0</b>

\* The limit above which a perfect score is achieved is shifted downwards from a maximum of 1% linearly with the fraction of total pension inceptions that occur online (e.g. if 50% of your total inceptions occur online, the limit is set to 0.5%).

### 2. Rationale for the scoring method

Higher volumes relative to the number of pension inceptions occurring offline imply greater availability and value.

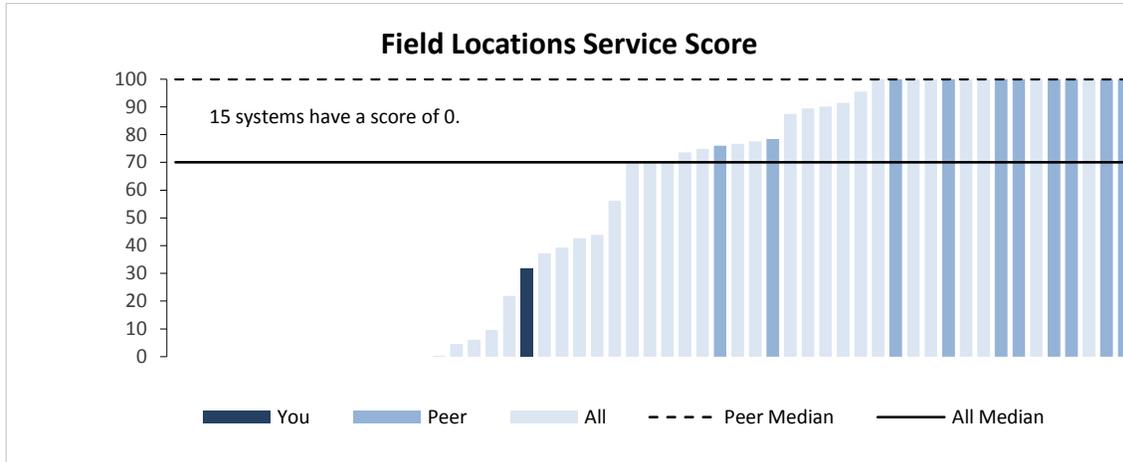
Members prefer freely available access to counseling with no time period limits, no limits on the number of sessions, etc.

## a. Availability

3. Survey questions used		You	Peer Avg
Q57	Total number of members counseled 1-on-1 (A)	5,739	11,634
Q5	Active Members (B)	256,788	272,400
	Members counseled 1-on-1 as a percentage of active members (A / B)	2.2%	3.9%
Q58	Is 1-on-1 retirement counseling a freely available option for most members? [If the only 1-on-1 counseling you do is for VIPs, disability, exceptions and emergencies then your answer should be no.]	Yes	93% Yes
Q59	Do you limit 1-on-1 counseling by:		
	a) Requiring that members be within a certain time period of earliest possible retirement?	No	7% Yes
	b) Placing a limit on the number of counseling sessions a member can request?	No	0% Yes
	c) Indicating that members should contact their employers or unions first for counseling?	No	0% Yes
	d) Other (describe)?	No	7% Yes
Q62	Do you offer 1-on-1 counseling sessions after normal working hours, such as evenings and/or weekends?	No	60% Yes

## b. Field locations

Your service score for field locations was 32 out of 100. This was below the peer median of 100.



1. Scoring method		Your Data	Your Score
+ 70	if the number of 1-on-1 sessions located in the field as % of total sessions is 25% or more, otherwise 280 X % of total sessions located in the field	0.6%	1.7
+ 30	if 75% or more of your 1-on-1 field sessions are held at locations separate from the employer, otherwise 40 X % of field sessions separate from the employer	100%	30.0
<b>Total score</b>			<b>31.7</b>

2. Rationale for the scoring method
A combination of in-house and in-the-field locations provides the best access for members to meet with you.
Field locations separate from the employer are preferred because they help preserve confidentiality and privacy.

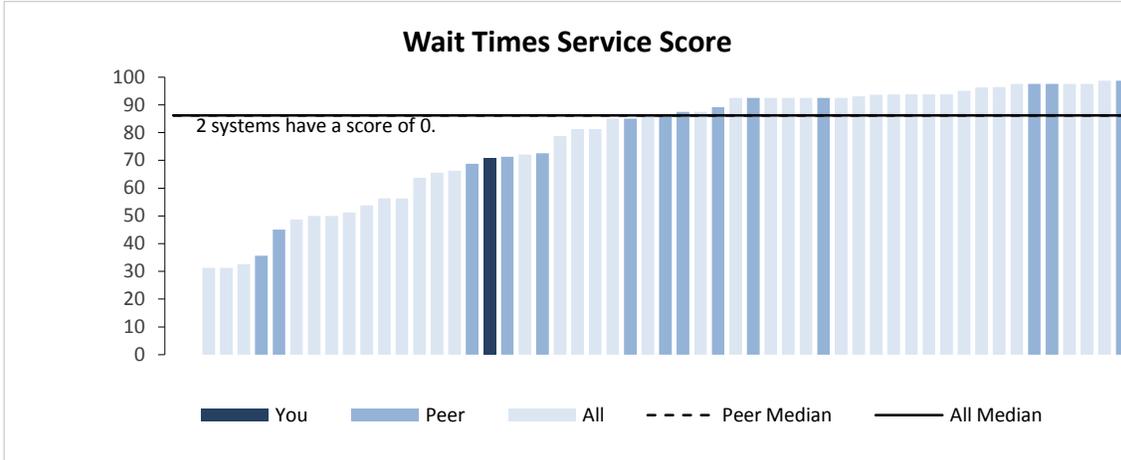
## b. Field locations

3. Survey questions used		You	Peer Avg
Q57	Provide the number of members counseled 1-on-1 that were:		
	b) In the field at locations separate from the member's place of employment? (A)	35	4,154
	c) At the member's place of employment?	<u>0*</u>	<u>397</u>
	Total number of members counseled 1-on-1 in the field (B)	35	4,551
	% of 1-on-1 field sessions separate from employer (A / B)	100%	61%
	Total number of members counseled 1-on-1 (C)	5,739	11,634
	% of members counseled at 1-on-1 sessions held in the field (B / C)	0.6%	37.1%

\* Your response was 'unknown'. A default was applied. See 'Appendix D' for details.

## c. Wait times

Your service score for wait times was 71 out of 100. This was below the peer median of 86.



1. Scoring method		Your Data	Your Score
+ 25	if you offer pre-scheduled counseling	Yes	25.0
+ 25	If there is no wait time for pre-scheduled in-house counseling sessions, otherwise 25 - 1.25 X average number of days of wait time [Subject to a minimum score of 0]	8.3 days	14.6
+ 25	If there is no wait time for walk-in counseling, otherwise 25 - 1.25 X average number of minutes of wait time [Subject to a minimum score of 0]	15 min.	6.3
+ 25	if 0% of walk-ins requesting a counseling session were turned away because the wait was too long, otherwise 25 - 125 X % of walk-ins turned away [Subject to a minimum score of 0]	0.0%	25.0
<b>Total score</b>			<b>70.9</b>

## 2. Rationale for the scoring method

The shorter the wait times, the better.

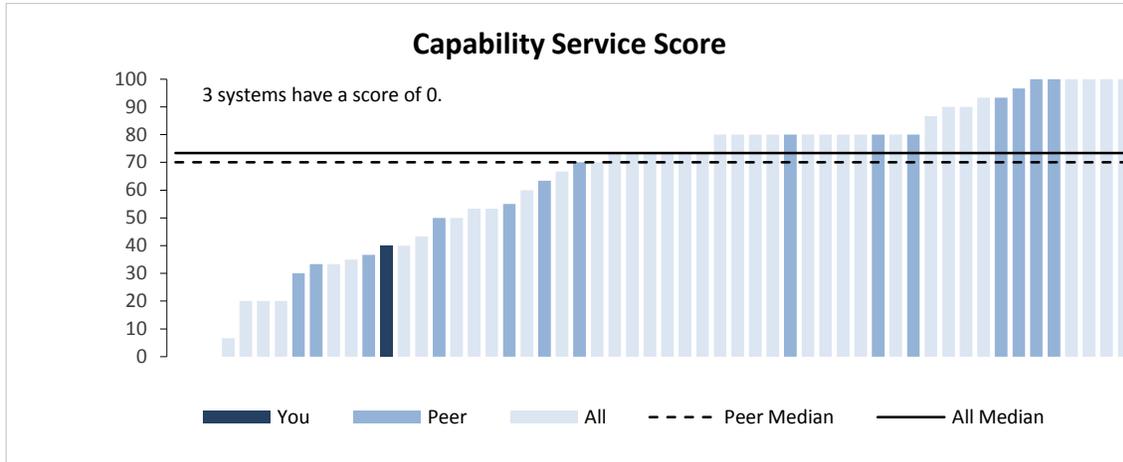
Some people like to be able to schedule an appointment. Also, a pre-scheduled session gives you the opportunity to prepare in advance.

## c. Wait times

3. Survey questions used		You	Peer Avg
Q60	Do you provide counseling for walk-in traffic?	Yes	93% Yes
	a) On average, how long does a walk-in member that requests a counseling session typically have to wait till they can meet with a counselor? (minutes)	15	7 min
	b) Approximately what percentage of walk-in members requesting a counseling session are turned away, or scheduled for another time, or leave with their needs unsatisfied because they decide the wait was too long?	0.0%	7.4%
Q61	Do you offer prescheduled 1-on-1 counseling?	Yes	93% Yes
	a) If yes, how long does a member that requests a pre-scheduled counseling session typically have to wait, in business days, before he can meet with a counselor for an in-house 1-on-1 counseling session?	8.3	3.9 days

## d. Capability

Your service score for capability was 40 out of 100. This was below the peer median of 70.



1. Scoring method		Your Data	Your Score
<u>Sessions</u>			
+ 50	if you can provide a new written estimate during each of walk-in, pre-scheduled in-house and in-the-field sessions, otherwise 16.7 for walk-in, 16.7 for pre-scheduled in-house and 16.7 for in-the-field	2 Yes	33.3
+ 10	if you can provide accurate service credit purchase cost estimates during each of walk-in, pre-scheduled in-house and in-the-field sessions, otherwise 3.3 for walk-in, 3.3 for pre-scheduled in-house and 3.3 for in-the-field	2 Yes	6.7
+ 20	if counseling takes place in a private office with a door during each of walk-in, pre-scheduled in-house and in-the-field sessions, otherwise 6.7 for walk-in, 6.7 for pre-scheduled in-house and 6.7 for in-the-field	0 Yes	0.0
<u>Coaching</u>			
+ 20	if you regularly review counselors for coaching purposes	No	0.0
<b>Total score</b>			<b>40.0</b>

## d. Capability

### 2. Rationale for the scoring method

Members needs are best met when you can have a complete discussion about their retirement options. This includes being able to provide alternative scenarios to answer 'what-if' questions as they arise during 1-on-1 counseling sessions.

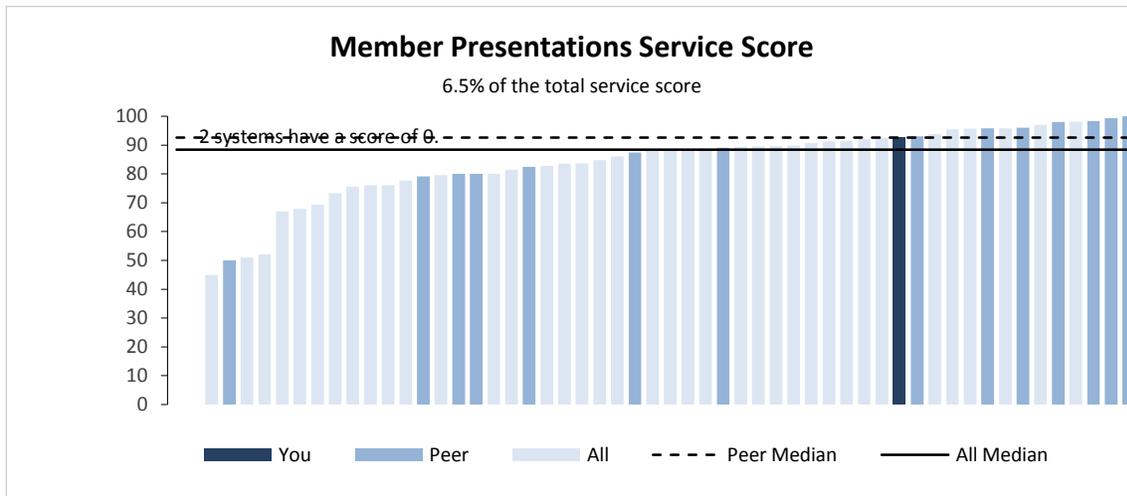
Members feel more comfortable if they can discuss their retirement income in an office with a door. If you review sessions for coaching purposes, this suggests that you monitor quality.

### 3. Survey questions used

		You	Peer Avg
Q64	a) Do almost all sessions take place in a private office with a door (versus a cubicle, etc.)?		
	a1) Walk-in traffic in-house?	No	86% Yes
	a2) Pre-scheduled in-house?	No	93% Yes
	a3) In-the-field?	No	75% Yes
	c) Do you provide new written estimates on a real-time basis for anybody that wants one?		
	c1) Walk-in traffic in-house?	Yes	79% Yes
	c2) Pre-scheduled in-house?	Yes	86% Yes
	c3) In-the-field?	No	67% Yes
	d) Do you provide an accurate cost to purchase service credit on a real-time basis for anybody that wants one?		
	d1) Walk-in Traffic In-house?	Yes	71% Yes
	d2) pre-scheduled In-house?	Yes	71% Yes
	d3) In-the-field?	No	58% Yes
Q65	Do you review 1-on-1 counseling sessions for coaching purposes on a regular basis? [As opposed to intermittent or only while training new counselors, etc.]	No	40% Yes

## 2D Presentations and Group Counseling

Your service score for member presentations was 93 out of 100. This was equal to the peer median.



1. Scoring method		Your Data	Your Score
<u>Availability</u>			
+ 38	if attendees as a percent of active members is 2.5%* or more, otherwise 1,520 X attendees as percent of active members	6.5%	38.0
+ 23	if 95% or more of your presentations are held in the field or via live webcast, otherwise 23 X (percent field presentations / 95%)	88.3%	21.4
+ 5	if you offer presentations outside of normal working hours	Yes	5.0
<u>Group size</u>			
+ 20	if average of 20 attendees or fewer per presentation, otherwise 20 - 0.5 for each attendee over 20 [Subject to a minimum score of 0]	31.6	14.2
<u>Types</u>			
+ 12	if you have 3 or more different targeted types of presentations (excluding healthcare and benefit changes), otherwise 4 X the number of types of presentations	4	12.0
<u>Coaching</u>			
+ 2	if you regularly review presenters for coaching purposes	Yes	2.0
<b>Total score</b>			<b>92.6</b>

\* The limit above which a perfect score is achieved is shifted downwards from a maximum of 2.5% linearly with the fraction of total pension inceptions that occur online (e.g. if 50% of your total inceptions occur online, the limit is set to 1.25%).

## 2D Presentations and Group Counseling

### 2. Rationale for the scoring method

Higher volumes relative to the number of pension inceptions occurring offline imply greater availability and value.

More choices of location and times provide easier access and convenience.

Smaller groups are preferred to larger groups. They provide more opportunities for individual attention.

### 3. Survey questions used

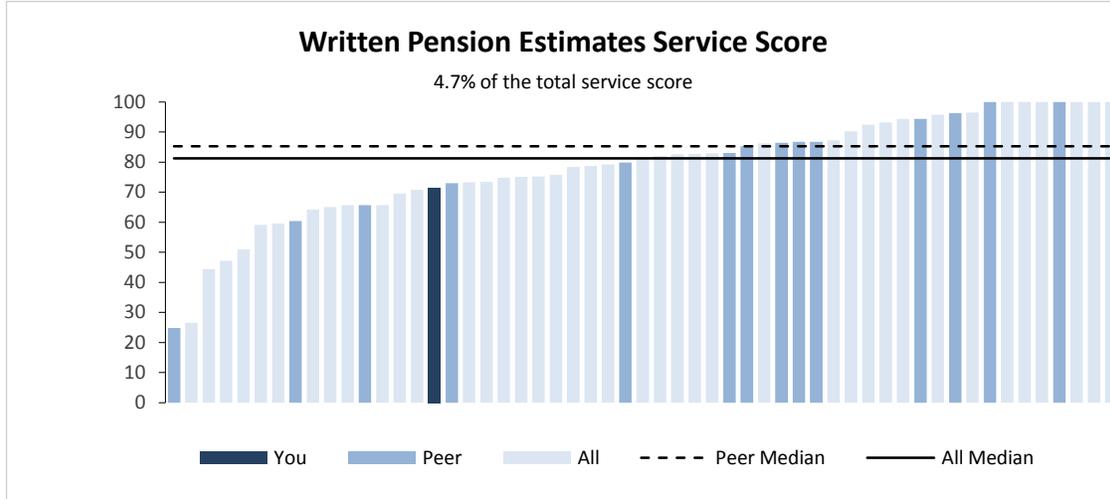
		You	Peer Avg
	<u>Availability</u>		
Q69	What was the total number of attendees at all of the presentations? [Exclude benefit fair attendees] (A)	16,728	16,434
Q5	Active Members (B)	256,788	272,400
	Attendees as a percent of active members (A / B)	6.5%	6.3%
Q68	How many presentations (including group counseling sessions) for members or annuitants [exclude presentations to employers] did you do that took place:		
	a) In-house?	62	40
	b) In the field? (C)	293	507
	c) Via live webcast? (D)	<u>174</u>	<u>27</u>
	Total Presentations (E)	529	567
	In the field or webcast presentations as a percent of total presentations (C + D) / E	88.3%	87.6%
Q71	Do you offer presentations after normal working hours such as evenings and/or weekends?	Yes	100% Yes
	<u>Group size</u>		
	Average number of attendees per presentation (A / E)	31.6	43.0

## 2D Presentations and Group Counseling

3. Survey questions used		You	Peer Avg
	<u>Types</u>		
Q70	Did you do specific presentations for members, in the past fiscal year, targeted		
	a) New members?	Yes	100% Yes
	b) Members in mid career?	Yes	73% Yes
	c) Members approaching retirement or ready to retire?	Yes	100% Yes
	f) Other? (Please describe)	<u>Yes</u>	<u>80% Yes</u>
	Total presentation types	4	4
	<u>Coaching</u>		
Q72	Do you review presenters for coaching purposes on a regular and recurring basis? [As opposed to intermittent or only while training new presenters, etc.]	Yes	93% Yes

## 2E Written Pension Estimates

Your service score for written pension estimates was 72 out of 100. This was below the peer median of 85.

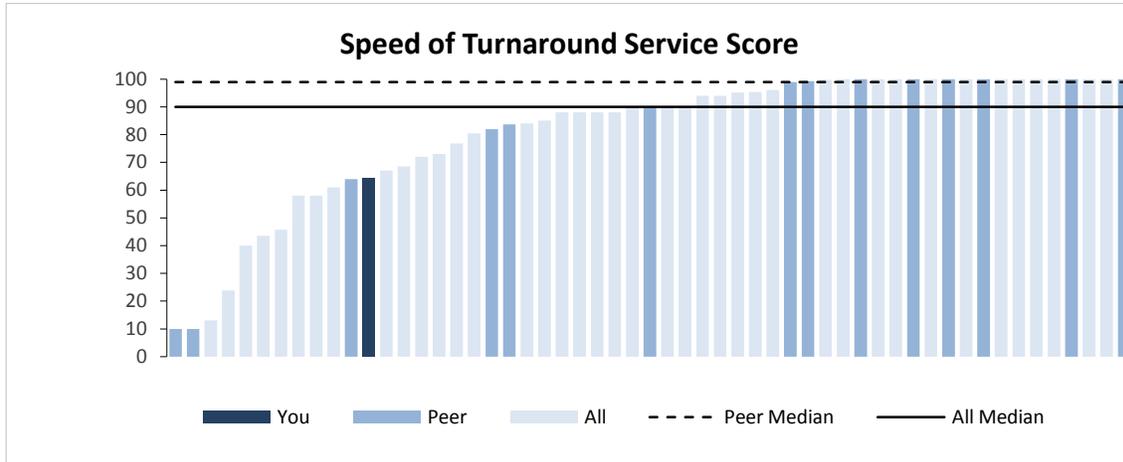


Your service score for 2e written pension estimates is the weighted total of the components shown in the table below. The methodology and data used to determine your scores for each of these components is described in detail on the following pages.

Written Pension Estimates Service Score Components		
	Weight	Your Score
a. Speed of turnaround	35%	64.3
b. Content	25%	100.0
c. Alternative channels	40%	60.0
<b>Weighted Total</b>	<b>100%</b>	<b>71.5</b>

## a. Speed of turnaround

Your service score for speed of turnaround was 64 out of 100. This was below the peer median of 99.



1. Scoring method		Your Data	Your Score
+ 90	if the weighted average turnaround time for providing written pension estimates and online pension estimates* is less than 1 day, otherwise 90 - 3 for each day beyond 1 required to send estimates	12.9 days	54.3
+ 10	if you regularly measure the time to provide an estimate	Yes	10.0
Total score [Subject to a minimum score of 0]			64.3

\* online pension estimates are only included in the average if they can be used to retire

### 2. Rationale for the scoring method

A perfect score requires that you can turn around an estimate the same day as the request. From a member's perspective, receiving a requested estimate quickly is higher service.

We assume that it is higher service if you regularly measure turnaround times because we believe that what gets measured, gets managed.

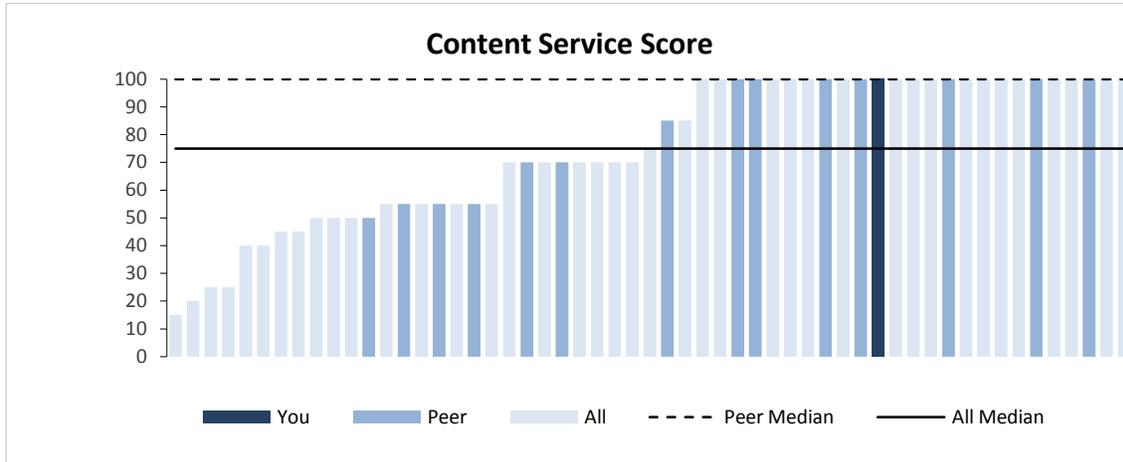
## a. Speed of turnaround

3. Survey questions used		You	Peer Avg
Q74	How many written pension estimates did you mail out pursuant to individual member requests? [Exclude estimates prepared during counseling sessions and not mailed in advance.] (A)	22,806	29,482
Q76	On average, how many business days does it take to provide a written pension estimate from the time of initial request from a member? [Exclude time in the mail.] (B)	12.9 days	13 days
	a) Is this a number you regularly measure and track (versus an estimate)?	Yes	93% Yes
Q82	Indicate whether the following capabilities are available on your website and provide volumes:		
	c) Benefit calculator in secure area linked to member's salary and service data?	No	80% Yes
	If yes, volume? (C)	n/a	213,116
	p) Initiate a retirement application?	No	67% Yes
	Weighted average estimate turnaround time <sup>1</sup> (A x B) / (A + C)	12.9 days <sup>2</sup>	8.5 days

1. The weighted average estimate turnaround time assumes that: (i) online estimates are processed instantaneously; (ii) the volume of online estimates (C) is counted as zero if members cannot apply for retirement online.

## b. Content

Your service score for content was 100 out of 100. This was equal to the peer median.



1. Scoring method		Your Data	Your Score
+ 30	if you clearly address if and how the pension benefit is inflation protected	Yes	30.0
+ 15	if you discuss the effects of social security	Yes	15.0
+ 15	if you discuss alternative scenarios that could improve the pension	Yes	15.0
+ 40	if you model alternative pension payment options	Yes	40.0
Total score			100.0

## b. Content

### 2. Rationale for the scoring method

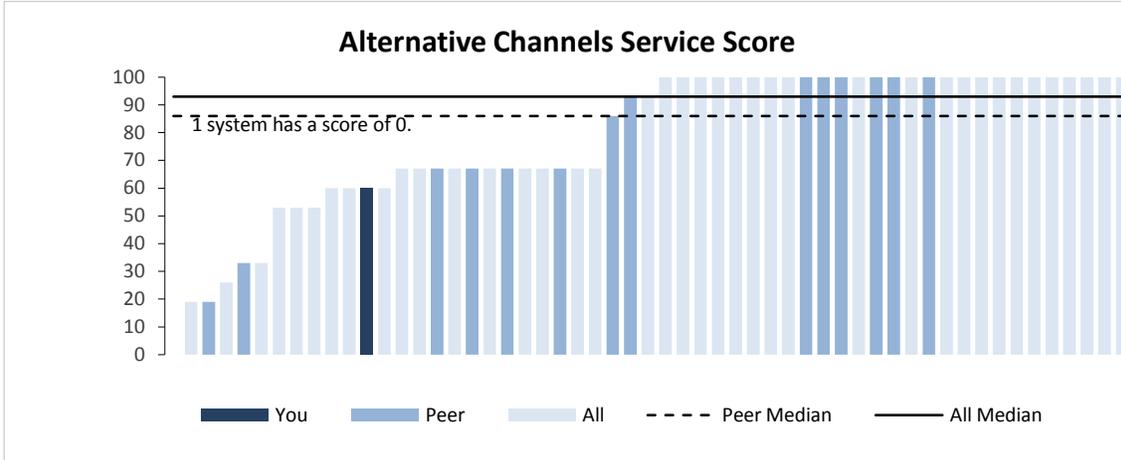
The more members understand about how their pension is affected by inflation, social security, etc. the better they can plan for retirement. A perfect score requires that you provide all this information in a written pension estimate.

### 3. Survey questions used

		You	Peer Avg
Q79	Do your written pension estimates (including cover letters, etc. sent with the estimate):		
	a) Clearly address if and how the pension is inflation protected (or not protected)?	Yes	60% Yes
	b) If your pension is coordinated with or reduced by social security (or CPP in Canada) is the impact explained?	Yes	63% Yes
	c) Discuss alternative scenarios that could improve the pension such as purchasing service credit or working longer?	Yes	87% Yes
	d) Model alternative retirement payment options?	Yes	100% Yes

## c. Alternative channels

Your service score for alternative channels was 60 out of 100. This was below the peer median of 86.



1. Scoring method		Your Data	Your Score
+ 100	if you offer pension estimates by member statement, the website and call center, otherwise 67 if you offer 2 options, 33 if you offer 1, 0 if you offer none	2 options	67.0
- 7	if you limit the timeframe when members can request pension estimates	Yes	-7.0
- 7	if you place a limit on the number of written pension estimates a member can request	No	0.0
Total score			60.0

### 2. Rationale for the scoring method

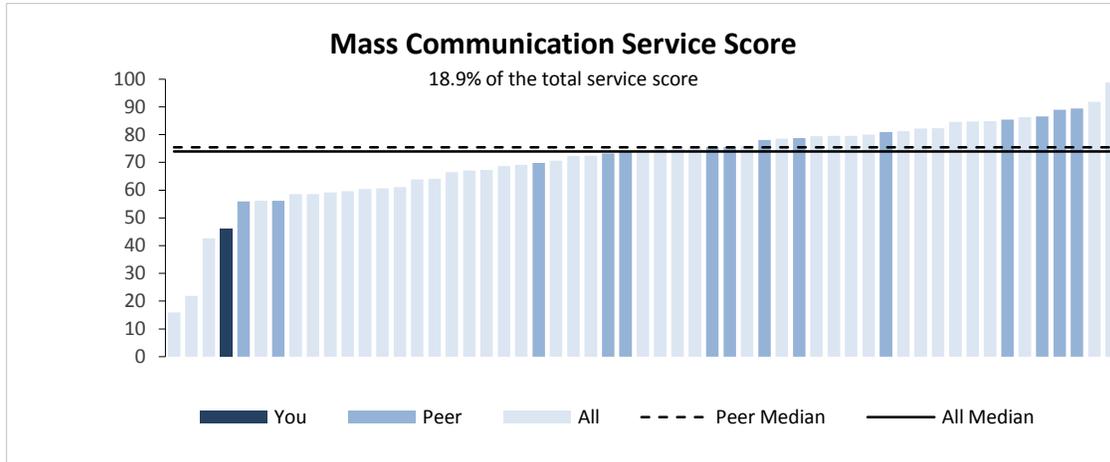
More choices in obtaining a pension estimate provides greater access and convenience for your members.

## c. Alternative channels

3. Survey questions used		You	Peer Avg
Q47	Can and will you provide the following information on an immediate real-time basis to members over the phone? [If you do not have real-time access to the information or if your policy is not to give the information over the phone because of security or other concerns then your answer should be 'no'.] a) Estimates of the member's pension at retirement?	No	73% Yes
Q77	Can members request and obtain a written pension estimate at any time during their career? [As opposed to, for example, requiring that the member be within a certain time period of earliest potential retirement before they can request a pension estimate.]	No	73% Yes
Q78	Do you place a limit on the number of written pension estimates that a member can request?	No	13% Yes
Q82	Indicate whether the following capabilities are available on your website and provide volumes: a) Benefit calculator in non-secure area? b) Benefit calculator in secure area not linked to member data? c) Benefit calculator in secure area linked to member's salary and service data?	Yes No No	67% Yes 20% Yes 80% Yes
Q93	Do your statements for active members include: e) An estimate of the future pension entitlement (or in Australia, the lump sum benefit payout at retirement) based on age scenario modeling or assuming the member continues to work until earliest possible retirement?	Yes	67% Yes

## 2F Mass Communication

Your service score for mass communication was 46 out of 100. This was below the peer median of 75.

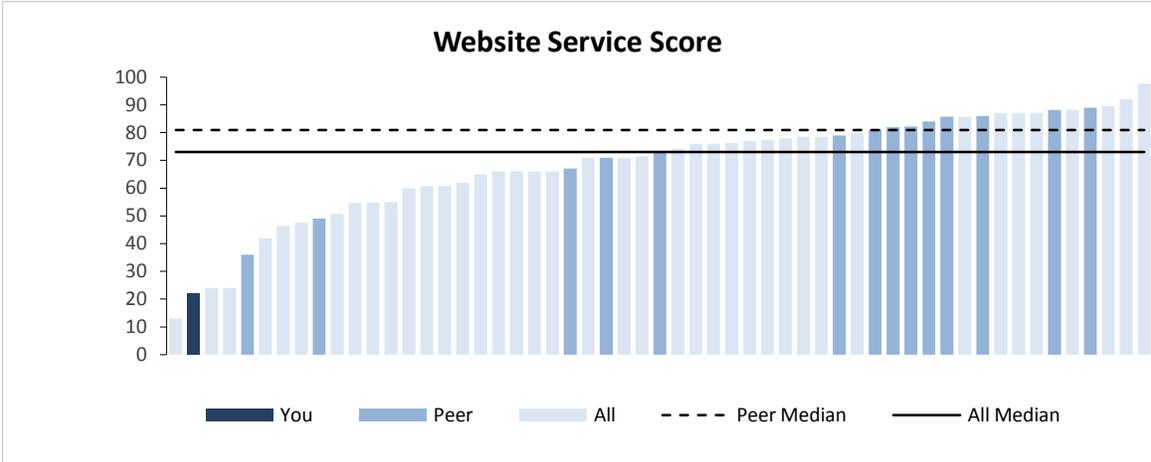


Your service score for 2f mass communication is the weighted total of the components shown in the table below. The methodology and data used to determine your scores for each of these components is described in detail on the following pages.

Mass Communication Service Score Components		
	Weight	Your Score
a. Website	60%	22.0
b. News and targeted communication	15%	71.5
c. Member statements	25%	88.8
<b>Weighted Total</b>	<b>100%</b>	<b>46.1</b>

# a. Website

Your service score for the website was 22 out of 100. This was below the peer median of 81.



## a. Website

1. Scoring method	Your Data	Your Score
<u>Calculators</u>		
+ 10 if you have an interactive calculator on your website	Yes	10.0
+ 20 if the calculator is linked to member data	No	0.0
+ 2 if you can calculate the cost of purchasing service credit	Yes	2.0
<u>Salary and service credit</u>		
+ 3 if you offer secure access to both salary and service credit data	n/a	0.0
+ 3 if salary and service credit data is up-to-date to the most recent pay period	n/a	0.0
+ 2 if a complete annual history since employment began of salary and service credit data is available	n/a	0.0
<u>Secure access design</u>		
+ 4 if members can get online immediately upon registering	Yes	4.0
+ 2 if you greet members by name upon log-in	n/a	0.0
- 4 if you force members to acknowledge a disclaimer every time they log-in or use the calculator	No	0.0
+ 1 if inactive members have access to the secure member area	n/a	0.0
+ 2 if you offer a digital file which includes a history of recent correspondence and member documents	No	0.0
<u>Forms</u>		
+ 8 if all forms are available for download (or the transaction or forms can be completed online), 6 if most, 2 if some	Some	2.0
<u>Other tools and transactions</u>		
+ 1 register for counseling sessions in real-time	No	0.0
+ 1 register for presentations	Yes	1.0
+ 2 if you offer live chat	No	0.0
+ 3 change address	No	0.0
+ 2 change beneficiary	No	0.0
+ 3 add or change email address	No	0.0
+ 1 reset password	No	0.0
+ 2 change annuity deposit banking information	No	0.0
+ 2 change tax withholding amount	No	0.0
+ 3 download or print tax receipts	No	0.0
+ 3 view pension payment gross amounts and deductions (payment stubs)	No	0.0
+ 3 initiate a retirement application online	No	0.0
+ 2 if less than 50% of pensions initiated online require follow-up documents or signatures to be mailed in	n/a	0.0
+ 1 check status of retirement application	n/a	0.0
+ 3 apply for a transfer-out or refund	No	0.0
+ 2 download member statement	No	0.0
+ 3 upload documents in lieu of mailing hardcopies	No	0.0
+ 3 view pensionable earnings and/or service without downloading	No	0.0
+ 3 access videos online	Yes	3.0
<b>Total score</b>		<b>22.0</b>

## a. Website

### 2. Rationale for the scoring method

Members visit your website looking for information. The more you can provide, the more tailored and customized to the member, and the easier it is to get online, the better.

### 3. Survey questions used

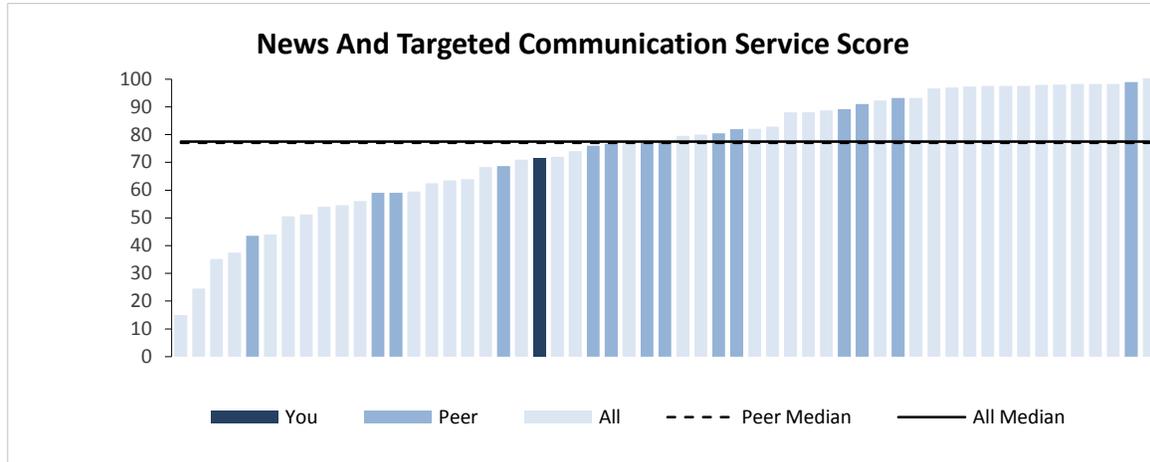
		You	Peer Avg
	<u>Calculators</u>		
Q82	Indicate whether the following capabilities are available on your website and provide volumes:		
	a) Benefit calculator in non-secure area?	Yes	67% Yes
	b) Benefit calculator in secure area not linked to member data?	No	20% Yes
	c) Benefit calculator in secure area linked to member's salary and service data?	No	80% Yes
	d) Service credit purchase calculator?	Yes	73% Yes
	<u>Salary and service credit</u>		
	v) View pensionable earnings and/or service without downloading?	No	80% Yes
	v1) Are both salary and service data available?	n/a	100% Yes
	v2) Is online data up-to-date to the most recent pay period?	n/a	83% Yes
	v3) Is a complete annual history from the beginning of employment provided?	n/a	67% Yes
	<u>Secure access design</u>		
Q81	Does your website have a secure member area where members can access their own data?	No	93% Yes
	c) If a member wants to register for the first time, does he/she have to wait for a password in the mail?	n/a	36% Yes
	d) Do you welcome the member by name on the home page of the secure member area?	n/a	93% Yes
	e) Are users required to acknowledge a disclaimer every time they log in?	n/a	21% Yes
	f) Are users required to acknowledge a disclaimer every time they generate a pension estimate?	n/a	38% Yes
	g) Do inactive members have access to the secure member area?	n/a	86% Yes
Q82	s) Digital file including history of recent correspondence and member documents?	No	36% Yes
	<u>Forms</u>		
Q80	Are all, most or some of your forms available online for either completion or downloading?	Some	55% All

## a. Website

3. Survey questions used		You	Peer Avg
	<u>Other tools and transactions</u>		
Q82	Indicate whether the following capabilities are available on your website and provide volumes:		
	e) Register for 1-on-1 counseling sessions?	No	50% Yes
	e1) Does the member have real-time access to available dates and times?	n/a	100% Yes
	f) Register for presentations?	Yes	79% Yes
	g) Live chat?	No	0% Yes
	h) Change address?	No	80% Yes
	i) Change beneficiary?	No	47% Yes
	j) Change email address?	No	73% Yes
	k) Reset password?	No	80% Yes
	l) Change banking information for direct deposit?	No	60% Yes
	m) Change tax withholding amount?	No	73% Yes
	n) Download or print duplicate tax receipts? [i.e., 1099s in the U.S.]	No	87% Yes
	o) View pension payment details? [i.e., gross amounts, deductions]	No	93% Yes
	p) Initiate a retirement application?	No	67% Yes
	If yes:		
	p1) Does the online application provide an estimate, final value or neither of the annuity payment the member will receive?	n/a	1% Final
	p2) Approximately what % of retirements initiated online require follow-up documents or signatures to be mailed in?	n/a	68.7%
	q) View status of online retirement application?	n/a	60% Yes
	r) Apply for a refund or transfer-out?	No	27% Yes
	t) Download member statement? [i.e., Adobe format]	No	80% Yes
	u) Upload documents (such as birth certificates)?	No	33% Yes
Q84	Do you have videos that members can access online?	Yes	91% Yes

## b. News and targeted communication

Your service score for newsletters was 72 out of 100. This was below the peer median of 77.



## b. News and targeted communication

1. Scoring method		Your Data	Your Score
<u>Newsletters</u>			
+ 20	if active members receive a newsletter 2 or more times per year, 14 if 1 time, 0 otherwise	4 times	20.0
+ 20	if annuitants receive a newsletter 2 or more times per year, 14 if 1 time, 0 otherwise	4 times	20.0
+ 2	if inactive members receive a newsletter at least annually	1 time	2.0
+ 25	if you have different newsletters for 3 or more of the following segments: all members, actives, inactives, annuitants, age based, gender based, employer/employment category, other. 14 if 2 segments, otherwise 0	2 segments	14.0
<u>Other communication</u>			
+ 12	if you issue a 'welcome' kit to new members	Yes	12.0
if you send out personalized letters to members:			
+ 2	that are new (this letter could be part of a welcome kit)	No	0.0
+ 7.5	approaching eligibility, or becoming eligible, for retirement	No	0.0
n/a	about to become vested in pension benefits	n/a	n/a
+ 2	eligible, or likely eligible, to purchase service credit	No	0.0
+ 2	with no beneficiary on file	No	0.0
+ 1	about to become vested for disability benefits	No	0.0
+ 1	whose disability benefits are able to expire	Yes	1.0
+ 1	with no email address on file	No	0.0
+ 1	who have never visited the secure member area	No	0.0
+ 1	if you publish member statements, annual reports, newsletters, the website and brochures in a language other than English, otherwise 0.2 for each publication translated	0 options	0.0
+ 2.5	if you solicit member feedback on your publications through focus groups, or surveys	Yes	2.5
Total score			71.5

## b. News and targeted communication

### 2. Rationale for the scoring method

Targeted milestone events, such as joining the system, are good opportunities to communicate the value of the benefit.

Communicating more frequently by newsletter, and delivering personalized, and customized messages for different target audiences is higher service.

Actively soliciting feedback on your communication materials should lead to better materials.

### 3. Survey questions used

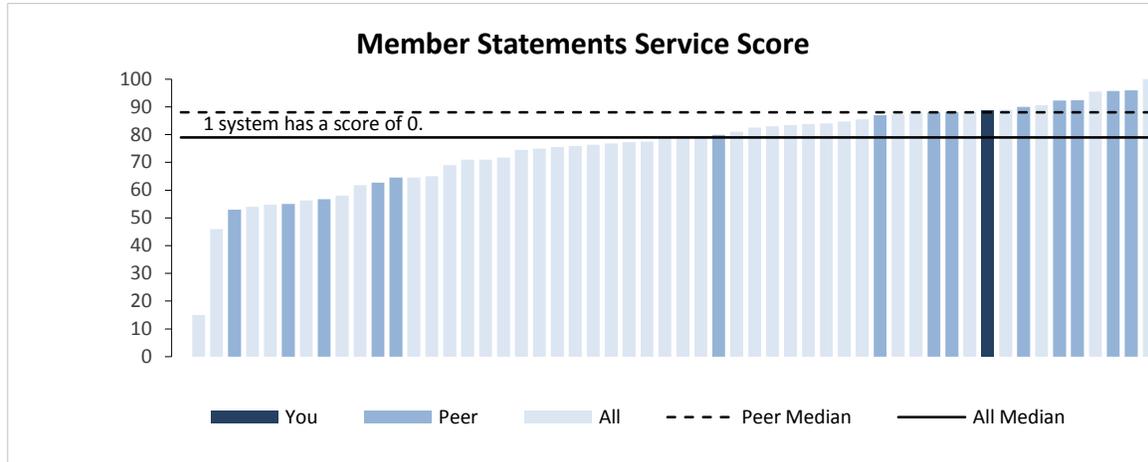
		You		Peer Avg	
Q86	Indicate whether you sent newsletters or news magazines (in either electronic or paper format) last year to any of the following member segments, and if yes, the number of times it was sent:		#		#
	a) All members (active, inactive and annuitants)?	No	n/a	27% Yes	6
	b) Active members only?	No	n/a	55% Yes	6
	c) Inactive members only?	Yes	1	9% Yes	1
	d) Annuitants only?	No	n/a	82% Yes	2
	e) Age segments (i.e., under 35, 35-50, 50 plus)?	No	n/a	18% Yes	3
	f) Women only or men only?	No	n/a	0% Yes	n/a
	g) Employer or employment category (i.e., a different newsletter for teachers vs. bus drivers)?	No	n/a	45% Yes	10
	h) Other? (describe your other newsletter segments below)	<u>Yes</u>	4	<u>55% Yes</u>	5
	Total Segments		2		2.1
Q94	Are new members issued a 'welcome' kit describing their benefits?	Yes		100% Yes	
	If yes:				
	a) Does it include a personalized letter addressing the new member by name?	No		64% Yes	

## b. News and targeted communication

3. Survey questions used		You	Peer Avg
Q97	Do you automatically send targeted letters or emails addressed to members by name triggered by the following milestones:		
	a) Vested for pension benefits (if member is not vested immediately)?	No	27% Yes
	b) Vested for disability benefits (if member is not vested immediately)?	No	20% Yes
	c) Expiration of disability benefits (i.e., after exiting employment)?	Yes	45% Yes
	d) Approaching eligibility, or becoming eligible, for retirement?	No	27% Yes
	e) Eligibility or likely eligibility, to purchase service credit?	No	18% Yes
	f) Missing beneficiary?	No	27% Yes
	g) Missing email address?	No	0% Yes
	h) Never visited the secure member area?	No	9% Yes
	i) Other milestone communication? (describe below)	Yes	73% Yes
Q98	Do you actively solicit member feedback on your publications through:		
	a) Focus groups?	No	20% Yes
	b) Tear out surveys or feedback cards in the publications themselves?	No	0% Yes
	c) Surveys sent to members who request a publication?	No	7% Yes
	d) Other (describe)?	Yes	53% Yes
Q99	Do you publish any of the following materials in a language other than English (or other than French in Quebec and France), or in Braille:		
	a) Member statements?	No	0% Yes
	b) Annual report?	No	0% Yes
	c) Newsletters?	No	0% Yes
	d) Website?	No	13% Yes
	e) Brochures and pamphlets?	No	20% Yes

## c. Member statements

Your service score for member statements was 89 out of 100. This was above the peer median of 88.



1. Scoring method		Your Data	Your Score
<u>Accuracy and timeliness</u>			
+ 10	if no complaints about data errors, otherwise 10 x (1 - 25 X percent of members that complain about data errors) [Subject to a minimum score of 0]	0.9%	7.8
+ 15	if data is current to 1 month, otherwise 15 - 2 for each month in excess of 1 month out of date [Subject to a minimum score of 0]	3.0 months	11.0
+ 5	if paper member statements mailed directly to the member's home	Yes	5.0
+ 5	if email or other electronic notice to members that the statement is available in the secure member area	Yes	5.0
+ 5	if sent to inactive members annually or more frequently, otherwise 5 X times per year on average	1 time	5.0
<u>Content</u>			
+ 10	if summarizes service credit	Yes	10.0
+ 10	if provides pensionable earnings	Yes	10.0
+ 5	if provides a historical summary of salary and service credit earned each year	No	0.0
+ 10	if shows refund value if you left at the statement date	Yes	10.0
+ 25	if shows estimate of future pension entitlement	Yes	25.0
<b>Total score</b>			<b>88.8</b>

## c. Member statements

### 2. Rationale for the scoring method

Up-to-date, accurate member statements provide one of your best opportunities to communicate the value of the benefit to members.

Showing an estimate of the future pension entitlement is more important than showing the refund value because the pension entitlement is potentially much more valuable.

Sending member statements directly to active members' homes, via email or other electronic notice, rather than through employers is higher service because the statements are less likely to get lost, and it is more confidential.

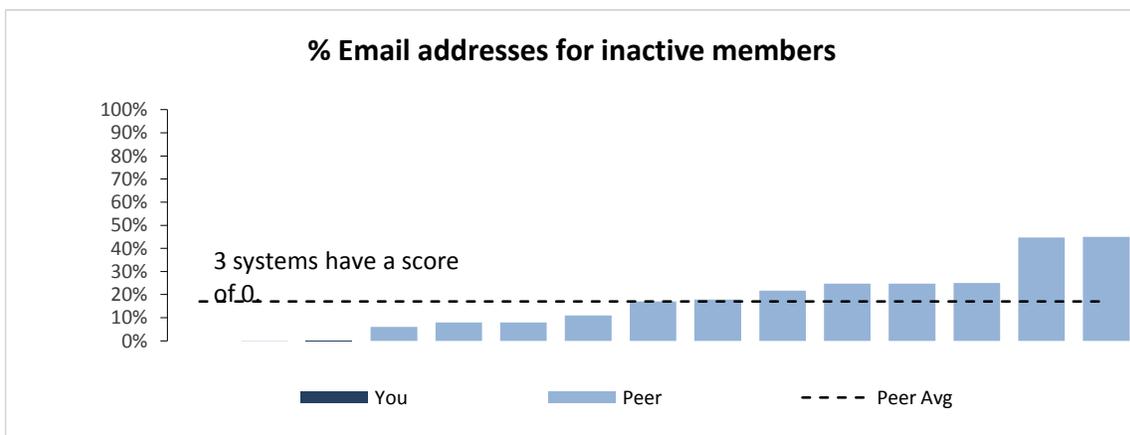
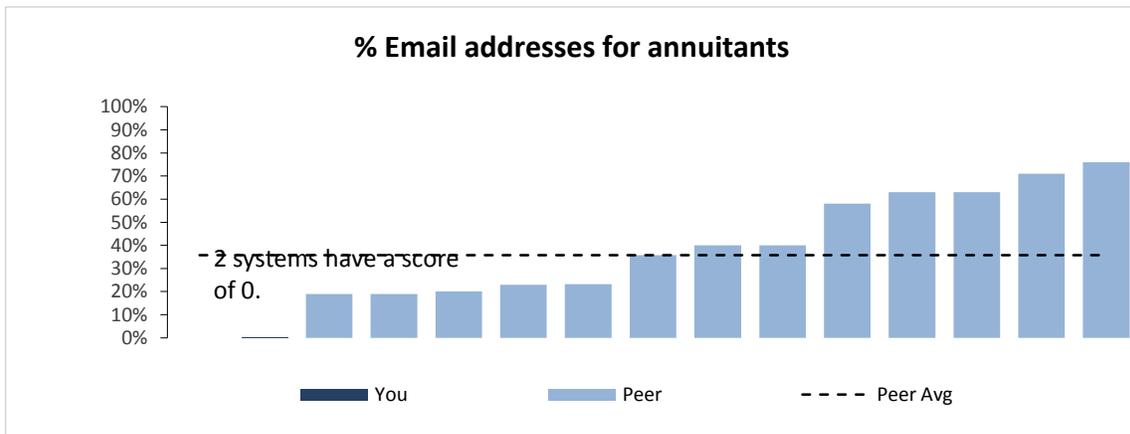
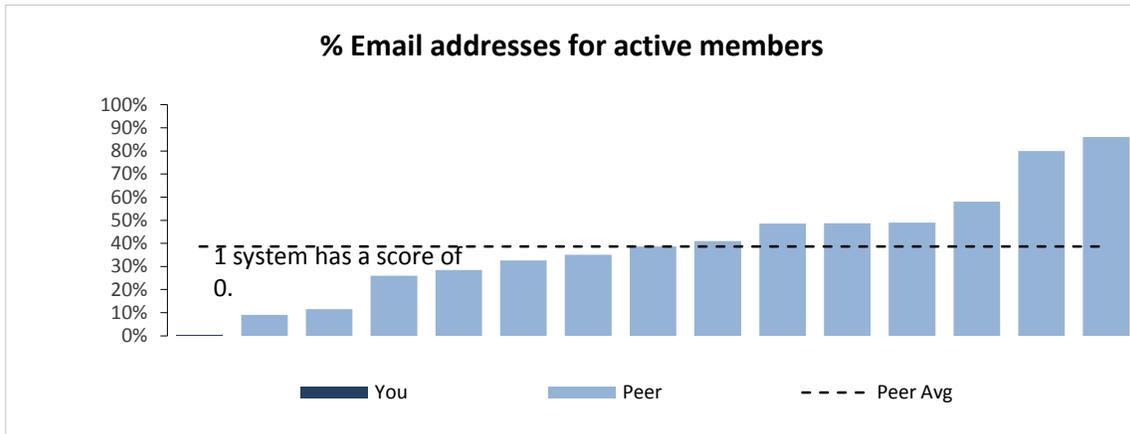
### 3. Survey questions used

		You	Peer Avg
Q89	How many times per year (annually = 1, every 2nd year = 0.5, every 3 years = 0.33, every 5 years = 0.2) do you send member statements to:		
	a) Active members?	1 time	1.2 times
	b) Inactive members?	1 time	1.1 times
Q90	Approximately what % of members complain about the accuracy of data in their member statements?	0.9%	0.6%
Q91	Indicate the approximate percentage breakdown of how you send member statements to active members:		
	a) Directed through the employer?	72.0%	16.9%
	b) Mailed directly to members' homes?	16.0%	54.1%
	c) Email or other electronic notice to members that the statement is available in the secure member area?	12.0%	26.9%
Q92	On average, how current is an active member's data in the statements that the member receives (in months)?	3.0	2 months
Q93	Do your statements for active members include:		
	a) Total accumulated service credit?	Yes	100% Yes
	b) Pensionable earnings?	Yes	87% Yes
	c) A historical summary of salary and service credit earned each year?	No	47% Yes
	d) The refund value if you left at the statement date?	Yes	93% Yes
	e) An estimate of the future pension entitlement (or in Australia, the lump sum benefit payout at retirement) based on age scenario modeling or assuming the member continues to work until earliest possible retirement?	Yes	67% Yes

## Electronic delivery

Systems are increasingly looking at cost effective and timely solutions for communicating with members. In particular, more systems are using email or other methods of electronic media to deliver newsletters, member statements and other forms of traditional, paper mass communications. CEM's new service model captures this change.

The below graphs are indicators of how successful systems have been in gathering member email addresses:



## New media and other

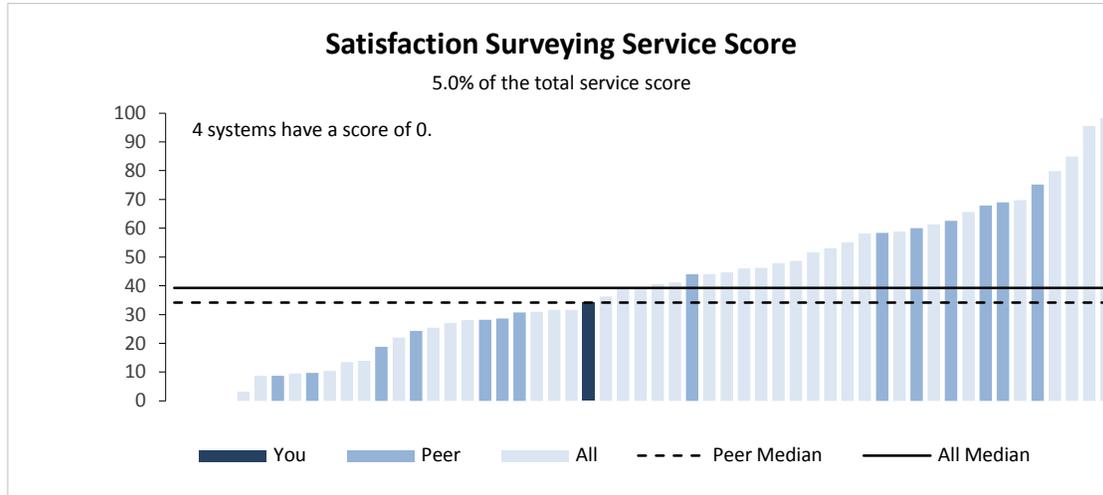
New media and employer service is not currently included in the service score. But we are tracking these measures and may use them in the future.

New media questions		You	Peer Avg	All Avg
Q100	Do you have a Facebook site? If yes: a) How often do you update your site?	No  n/a	60% Yes  137 times/year	44% Yes  115 times/year
Q101	Do you have a Twitter account? If yes: a) How many tweets did you post last year? b) How many followers do you have?	No  n/a n/a	47% Yes  557 868	45% Yes  425 1,025
Q102	Do you have a mobile app? If yes: a) Does your app contain information that is linked to the member's data?	No  n/a	0% Yes  0% Yes	7% Yes  0% Yes

Other media questions		You	Peer Avg	All Avg
Q84	Do you have videos that members can access online? If yes: a) How many different videos do you have for members online? b) What was the total number of new views for all streamed videos? c) What was the total number of downloads for all downloadable videos?	Yes  29  38,554 Unknown	91% Yes  49 8,010 8	81% Yes  41 11,627 3

## Satisfaction Surveying

Your service score for satisfaction surveying was 34 out of 100. This was equal to the peer median.



Your service score for satisfaction surveying is the weighted total of the components shown in the table below. The methodology and data used to determine your scores for each of these components is described in detail on the following pages.

<b>Satisfaction Surveying Service Score Components</b>			
	Weight <sup>1</sup>	Do you survey?	Your Score
a. 1-on-1 counseling	11%	No	0.0
b. Member presentations	10%	Yes	90.0
c. Member telephone calls	32%	Yes	80.0
d. Pension inception	11%	No	0.0
e. Written pension estimates	7%	No	0.0
f. Website - secure member area	17%	No	0.0
g. Withdrawals and transfers-out	2%	No	0.0
h. Purchases and transfers-in	5%	No	0.0
i. Disability	6%	No	0.0
<b>Weighted Total</b>	<b>100%</b>		<b>34.2</b>

<sup>1</sup> Other systems may have slightly different activity weights than you. Their weights are reflective of the activities that they do.

## Satisfaction Surveying

1. Scoring method	Your Data	Your Score
<b>a. 1-on-1 counseling</b>		
If you survey satisfaction with 1-on-1 counseling:	No	
+ 30 if the survey focuses primarily on 1-on-1 counseling.	n/a	0.0
+ 30 if the greatest length of time between the survey and the 1-on-1 counseling session is 14 days or less .	n/a	0.0
+ 10 if surveys are continuous or more than 11 times per year, otherwise +8 if quarterly, +3 if once per year.	n/a	0.0
+ 10 if you can summarize results by service representative.	n/a	0.0
+ 10 if you can summarize results by topic covered.	n/a	0.0
+ 10 if survey is delayed at least one day from the session.	n/a	<u>0.0</u>
Total		0.0
<b>b. Member presentations</b>		
If you survey satisfaction with member presentations:	Yes	
+ 35 if the survey focuses primarily on member presentations.	Yes	35.0
+ 35 if the greatest length of time between the survey and the presentation is 14 days or less .	0	35.0
+ 10 if surveys are continuous or more than 11 times per year, otherwise +8 if quarterly, +3 if once per year.	days continuous	10.0
+ 10 if you can summarize results by service representative.	Yes	10.0
+ 10 if survey is delayed at least one day from the session.	No	<u>0.0</u>
Total		90.0
<b>c. Member telephone calls</b>		
If you survey satisfaction with member telephone calls:	Yes	
+ 30 if the survey focuses primarily on member telephone calls.	Yes	30.0
+ 30 if the greatest length of time between the survey and the telephone call is 14 days or less.	0	30.0
+ 10 if surveys are continuous or more than 11 times per year, otherwise +8 if quarterly, +3 if once per year.	days continuous	10.0
+ 10 if you can summarize results by service representative.	Yes	10.0
+ 10 if you can summarize results by topic covered.	No	0.0
+ 10 if survey is delayed at least one day from the session.	No	<u>0.0</u>
Total		80.0

## Satisfaction Surveying

1. Scoring method (continued)	Your Data	Your Score
<b>d. Pension inceptions</b>		
If you survey satisfaction with pension inceptions:	No	
+ 40 if the survey focuses primarily on pension inceptions.	n/a	0.0
+ 40 if the greatest length of time between the survey and the pension inception is 14 days or less.	n/a	0.0
+ 20 if surveys are continuous or more than 11 times per year, otherwise +16 if quarterly, +6 if once per year.	n/a	<u>0.0</u>
Total		0.0
<b>e. Written pension estimates</b>		
If you survey satisfaction with written benefit estimates:	No	
+ 40 if the survey focuses primarily on written benefit estimates.	n/a	0.0
+ 40 if the greatest length of time between the survey and receipt of an estimate is 14 days or less.	n/a	0.0
+ 20 if surveys are continuous or more than 11 times per year, otherwise +16 if quarterly, +6 if once per year.	n/a	<u>0.0</u>
Total		0.0
<b>f. Website - secure member area</b>		
If you survey satisfaction with website - secure member area:	No	
+ 40 if the survey focuses primarily on website - secure member area.	n/a	0.0
+ 40 if the greatest length of time between the survey and secure member area usage is 7 days or less.	n/a	0.0
+ 10 if surveys are continuous or more than 11 times per year, otherwise +8 if quarterly, +3 if once per year.	n/a	0.0
+ 10 if you can summarize results by topic(s) browsed.	n/a	0.0
- 25% if you survey 100% of unique users, -90% if you survey all users (versus a sample such as every 100th user).	No	0.0
- 50% if the survey was a menu item that the user had to find and select (as opposed to a survey actively sent to the user via email or a pop up).	No	<u>0.0</u>
Total [subject to a minimum score of 0]		0.0
<b>g. Withdrawals and transfers-out</b>		
If you survey satisfaction with withdrawals and transfers-out:	No	
+ 40 if the survey focuses primarily on withdrawals and transfers-out.	n/a	0.0
+ 40 if the greatest length of time between the survey and the refund, lump sum or transfer-out is 14 days or less.	n/a	0.0
+ 20 if surveys are continuous or more than 11 times per year, otherwise +16 if quarterly, +6 if once per year.	n/a	<u>0.0</u>
Total		0.0

## Satisfaction Surveying

1. Scoring method (continued)		Your Data	Your Score
h. Purchases and transfers-in			
	If you survey satisfaction with purchases and transfers-in:	No	
+ 40	if the survey focuses primarily on purchases and transfers-in.	n/a	0.0
+ 40	if the greatest length of time between the survey and the purchase or transfer-in is 7 days or less.	n/a	0.0
+ 20	if surveys are continuous or more than 11 times per year, otherwise +16 if quarterly, +6 if once per year.	n/a	<u>0.0</u>
	Total		0.0
i. Disability			
	If you survey satisfaction with disability:	No	
+ 40	if survey focuses primarily on disability.	n/a	0.0
+ 40	if the greatest length of time between the survey and the disability decision is 14 days or less.	n/a	0.0
+ 20	if surveys are continuous or more than 11 times per year, otherwise +16 if quarterly, +6 if once per year.	n/a	<u>0.0</u>
	Total		0.0

## 2. Rationale for the scoring method

Best practice satisfaction surveying is single activity focused, sent only to members who have recently received the service, can be summarized by the person that did the work (for 1-on-1 counseling, presentations and calls), tracks the purpose of a call or visit, is performed on a frequent random-sample basis and results are communicated widely. If you measure satisfaction, we assume you do a better job of managing and improving it.

Surveying immediately after the activity tends to give feedback that is heavily influenced by the member's positive or negative impression of the service agent. Surveying a day or so later captures member's feedback regarding the success of the process and whether the member accomplished what they intended to.

When surveying website satisfaction, it is unnecessary and irritating to sample 100% of users, particularly if they get asked to participate every time they visit the website. If the survey is a menu item that users need to find and select, you will only receive feedback from extremely motivated users. This feedback can be useful, albeit biased.

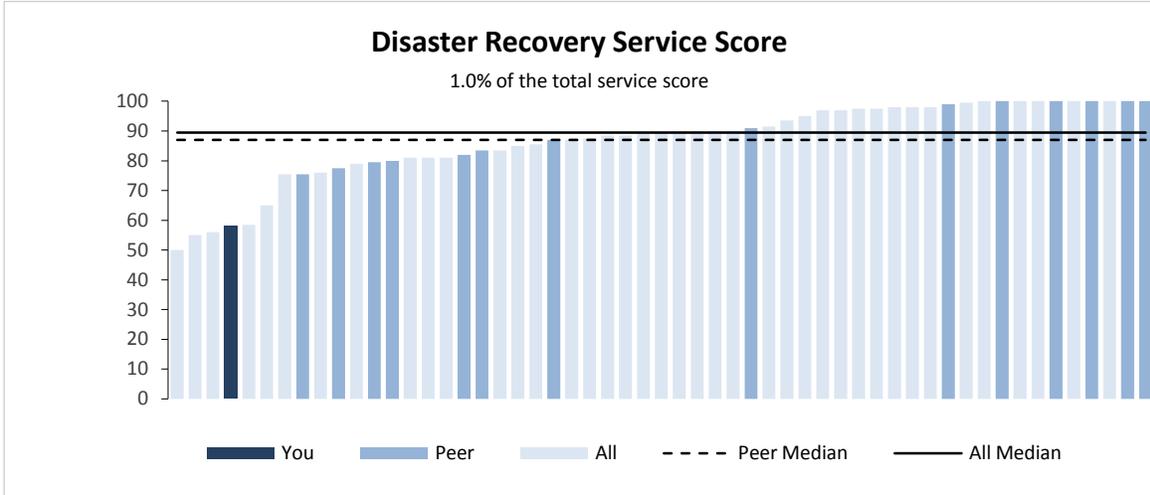
## Satisfaction Surveying

3. Survey questions used							
Q126	Did you survey satisfaction regarding this activity in your most recently ended fiscal year?	If yes, for each activity surveyed:					
		Did the survey focus primarily on this single activity? (vs including other activities)	What was the longest possible time in days between the activity and the survey?	How often did you survey about the activity? (times per year)	Can you break down the survey results by service agent?	Is the survey delayed by at least 1 day from the date of the session?	Can you break down the survey results by topic covered?
<b>Your Responses</b>							
1-on-1 counseling	No	n/a	n/a	n/a	n/a	n/a	n/a
Member presentations	Yes	Yes	0	continuous	Yes	No	
Member telephone calls	Yes	Yes	0	continuous	Yes	No	No
Pension inceptions	No	n/a	n/a	n/a			
Written benefit estimates	No	n/a	n/a	n/a			
Website - secure member area	No	n/a	n/a	n/a			n/a
Withdrawals and Transfers-out	No	n/a	n/a	n/a			
Purchases and transfers-in	No	n/a	n/a	n/a			
Disability	No	n/a	n/a	n/a			
<b>Peer Responses</b>							
1-on-1 counseling	80% Yes	83% Yes	15	92% ≥ 12	75% Yes	38% Yes	38% Yes
Member presentations	100% Yes	100% Yes	7	100% ≥ 12	100% Yes	45% Yes	
Member telephone calls	73% Yes	73% Yes	79	73% ≥ 12	55% Yes	50% Yes	43% Yes
Pension inceptions	67% Yes	80% Yes	34	80% ≥ 12			
Written benefit estimates	53% Yes	50% Yes	34	86% ≥ 12			
Website - secure member area	40% Yes	33% Yes	147	50% ≥ 12			67% Yes
Withdrawals and Transfers-out	33% Yes	60% Yes	100	80% ≥ 12			
Purchases and transfers-in	40% Yes	50% Yes	100	80% ≥ 12			
Disability	53% Yes	50% Yes	115	75% ≥ 12			

Q127	You	Peer Avg
If you surveyed satisfaction regarding the secure member area on your website, was the survey electronic? [i.e., email or web based]	No	63% Yes
If yes:		
a) Was the survey a menu item that the user had to find and select (as opposed to a survey actively sent to the user via email or a pop up)?	n/a	20% Yes
b) Did you survey 100% of users (versus a sample such as every 100th user)?	n/a	40% Yes
b1) Do you survey all visitors (meaning the same unique user can be surveyed multiple times)?	n/a	100% Yes

# Disaster Recovery

Your service score for disaster recovery was 58 out of 100. This was below the peer median of 87.



1. Scoring method		Your Data	Your Score
+ 20	if you have back-up equipment and premises arranged.	Yes	20.0
+ 35	if you can continue paying annuities in 2 days or less, otherwise 37.5 - 2.5 X days [Subject to a minimum score of 0]	5	25.0
+ 15	if you can return to normal inception volumes in 2 days or less, otherwise 16 - days / 2 [Subject to a minimum score of 0]	25	3.5
+ 10	if you can collect data and money from employers in 2 days or less, otherwise 11 - days / 2 [Subject to a minimum score of 0]	25	0.0
+ 10	if call center at current service levels in 2 days or less, otherwise 11 - days / 2 [Subject to a minimum score of 0]	3	9.5
+ 10	if you have an independent auditor that reviews and tests the disaster recovery plan	No	0.0
<b>Total score</b>			<b>58.0</b>

## Disaster Recovery

### 2. Rationale for the scoring method

Good service includes planning and preparing for unexpected events and disasters.

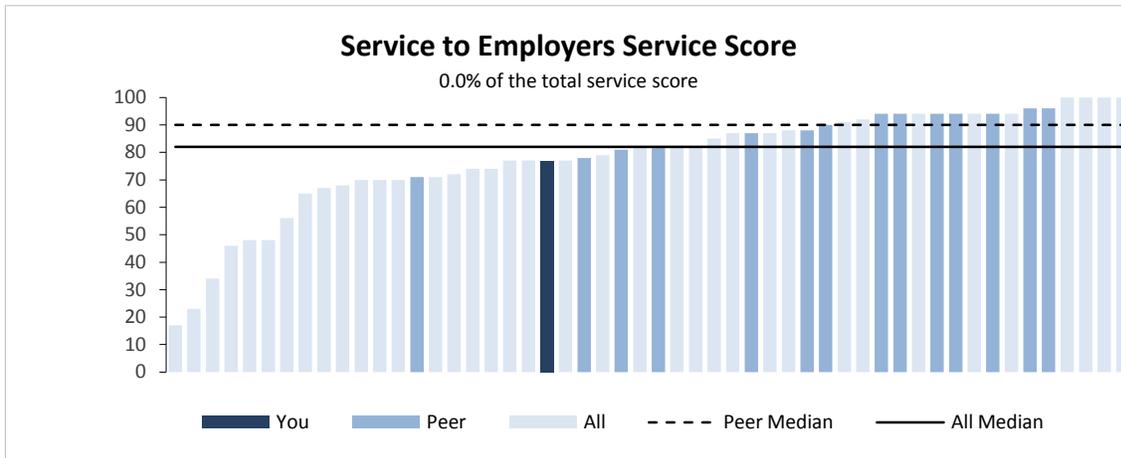
### 3. Survey questions used

		You	Peer Avg
Q122	Do you have back-up equipment and premises arranged for your operations if substantial damage occurs at your principal location?	Yes	100% Yes
Q123	Do you have an independent auditor that reviews and tests the disaster recovery plan?	No	60% Yes
Q124	If your principal location became inoperable due to some disaster (such as fire, tornado, etc), how long would it take, in business days, for you to:		
	a) Continue paying pension payments to retirees?	5	2 days
	b) Begin doing new pension inceptions at normal volumes?	25	9 days
	c) Collect data and money from employers?	25	4 days
	d) Respond to member calls at close to current service levels?	3	5 days

## Employer Service Score

The employer service score is no longer included in the total service score. It was removed because (i) many systems could not provide the necessary data, and, (ii) employer service needs vary widely depending on the number and type of employers. CEM continues with research to provide a better, more meaningful employer service score. The employer service score had only an approximate 4.0% weight in the total service score so the impact of this change on your total service score was small.

Your service score for service to employers was 77 out of 100. This was below the peer median of 90.



1. Scoring method		Your Data	Your Score
<u>Communication</u>			
+ 17	if you have an employer targeted section on your website	Yes	17.0
+ 12	if you have 3 or more different targeted types of presentations for employers, otherwise 4 X number of types	9	12.0
+ 12	if you send newsletters for employers 4 or more times per year, otherwise 3 X newsletter frequency	28	12.0
<u>Satisfaction and service agreements</u>			
+ 7	if you do satisfaction surveying at least once per year	Continuous	7.0
+ 6	if you have service level agreements with your employers	No	0.0
<u>Reporting software</u>			
+ 17	if you maintain either general or customized reporting software	Yes	17.0
+ 12	if the reporting software is web-based	Yes	12.0
+ 8	if the software integrates collections and billing	No	0.0
+ 9	if the software provides real time error checking and feedback	No	0.0
Total score			77.0

## Employer Service Score

### 2. Rationale for the scoring method

Having staff dedicated to servicing employers, providing generalized and/or customized collections reporting software, an up-to-date employer handbook, website, newsletter and training will help to reduce data errors and misinformation. Ultimately, this improves service to members.

### 3. Survey questions used

		You	Peer Avg
Q114	Do you have an employer targeted section on your website or a separate website for your employers? [Do not include PDF documents.]	Yes	100% Yes
Q116	How many different types of presentations did you give to employers?	9	5
Q117	Do you have a newsletter dedicated to employers that is different from the newsletter for members?	Yes	93% Yes
	a) If yes, how many times did you prepare and send an employer dedicated newsletter last year?	28	11
Q118	Do you have Service Level agreements with your employers that clarifies both your and the employer's service responsibilities and includes measurement and reporting vis-à-vis your responsibilities?	No	27% Yes
Q119	Do you offer and maintain generalized reporting software for your employer collection points?	Yes	100% Yes
	a) Is the application web-based? [i.e. You connect to it through a web browser]	Yes	100% Yes
	b) Can the software integrate both data collection and billing?	No	87% Yes
	c) Can it provide real-time error checking and feedback versus data previously submitted by the employer? [For example, can it identify an unusual increase in an employee's salary?]	No	67% Yes
Q120	Do you maintain customized reporting software for any of your employer collection points? [For example, you may maintain customized reporting software for your largest employer.]	No	13% Yes
Q126	a) Did you survey satisfaction regarding this activity in your most recently ended fiscal year?	Yes	87% Yes
	e) How often did you survey about the activity?	Continuous	31% ≥ 12

## What would you have to do to achieve a perfect service score?

CEM is not recommending these changes. Higher service is not necessarily optimal or cost effective. We include this complete accounting of all changes required to have a perfect service score because many participants want to know what they would have to do to achieve a higher score. Given this context, you could add as much as 32.8 points (from 67.2 to 100) to your Total Service Score if you enhanced service in each activity as follows:

Service Activity	Potential Improvement
<b><u>1A Pension Payments (0.30 potential improvement to your total service score)</u></b>	
<ul style="list-style-type: none"> <li>You provide payment advices with your ETF payments every time amount changes. To achieve a perfect service score you must provide payment advices with every ETF payment</li> </ul>	+ 0.10
<ul style="list-style-type: none"> <li>You cannot comply with a request not to send a payment advice, and you do not ask new annuitants if they want to receive a pay slip. To achieve a perfect service score, you must either comply with a request not to send a payment advice or ask new annuitants if they want to receive a pay slip.</li> </ul>	+ 0.20
<b><u>1B Pension Inceptions (0.64 potential improvement to your total service score)</u></b>	
<ul style="list-style-type: none"> <li>1.0% of your service pension inceptions experienced a cashflow interruption greater than one month. To achieve a perfect service score 100% of your service pensions must be incepted without a cashflow interruption greater than one month.</li> </ul>	+ 0.06
<ul style="list-style-type: none"> <li>99.0% of your service pension inceptions are based on estimates which took an average of 6 months to finalize. To achieve a perfect service score you must either incept no pensions based on estimates, or if you do incept pensions based on estimates do so on average in less than a month.</li> </ul>	+ 0.58
<ul style="list-style-type: none"> <li>1.0% of your survivor pension inceptions experienced a cashflow interruption greater than one month. To achieve a perfect service score, 100% of your survivor pensions must be incepted without a cashflow interruption greater than one month.</li> </ul>	+ 0.01
<b><u>1C Withdrawals and Transfers-out (0.94 potential improvement to your total service score)</u></b>	
<ul style="list-style-type: none"> <li>On average, you complete withdrawals in 120 days. To achieve a perfect service score, withdrawals must be completed in 30 days or less.</li> </ul>	+ 0.59
<ul style="list-style-type: none"> <li>You complete transfers-out on average in 60 days. To achieve a perfect service score, transfers-out must be completed in 30 days or less.</li> </ul>	+ 0.35
<b><u>1D Purchases and Transfers-in (0.31 potential improvement to your total service score)</u></b>	
<ul style="list-style-type: none"> <li>On average, you provide a service credit purchase in 5 days. To achieve a perfect service score, you must be able to provide a service credit purchase estimate in 1 day or less.</li> </ul>	+ 0.25
<ul style="list-style-type: none"> <li>On average, you process member's transfer-in applications in 2 months. To achieve a perfect service score, a member's transfer-in application is processed in 1 month or less.</li> </ul>	+ 0.06
<b><u>1E Disability (0.68 potential improvement to your total service score)</u></b>	
<ul style="list-style-type: none"> <li>On average, you return a decision on a disability application in 3 months. To achieve a perfect service score, you must return a decision on a disability application in 1 month or</li> </ul>	

less. + 0.68

**2A Call Center (12.16 potential improvement to your total service score)**

- 11.6% of your incoming calls resulted in undesired outcomes. To achieve a perfect service score, members must experience no undesired call outcomes. + 1.97
- On average, members calling your call center reach a knowledgeable person in 208 seconds. To achieve a perfect service score, members must reach a knowledgeable person on the phone in 20 seconds or less. + 3.82
- You do not notify members of expected wait time, or their place in the queue, when the expected wait exceeds a certain threshold. + 0.08
- On average, your response time to member emails is 2.0 days. To achieve a perfect service score, members' emails must be responded to in 0.5 days or less. + 0.25
- You have 3 menu layers. To achieve a perfect service score you must have one or fewer menu layers. + 1.70
- You are unable to provide an estimate of the member's pension at retirement on an immediate real-time basis over the phone. To achieve a perfect service score, you must be able to provide an estimate of the member's pension at retirement over the phone. + 0.74
- You are unable to provide an estimate that is linked to the member's actual account data on an immediate real-time basis over the phone. To achieve a perfect service score, you must be able to provide an estimate that is linked to the member's actual account data over the phone. + 0.89
- You are unable to model alternate annuity payment scenarios on an immediate real-time basis over the phone. To achieve a perfect service score, you must be able to model alternate annuity payment scenarios over the phone. + 0.52
- You are unable to provide service credit history including gaps on an immediate real-time basis over the phone. To achieve a perfect service score, you must be able to provide service credit history including gaps over the phone. + 0.30
- You are unable to estimate the cost to purchase service credit on an immediate real-time basis over the phone. To achieve a perfect service score, you must be able to estimate the cost to purchase service credit over the phone. + 0.52
- You are unable to add or change an email address over the phone. To achieve a perfect service score, you must be able to add or change an email address over the phone. + 0.52
- You cannot track call volume projections. To achieve a perfect service score, you must be able to track call volume projections. + 0.26
- On average, you review your staff's responses to member calls 3 times per month. To achieve a perfect service score you must review your staff's responses to member 4 or more times per month. + 0.44
- 90.5% of your calls are satisfied by their first contact. To achieve a perfect service score, 100% of calls must be satisfied by their first contact. + 0.15

**2C 1-on-1 Counseling (2.07 potential improvement to your total service score)**

- You do not provide 1-on-1 counseling outside of normal working hours. To achieve a perfect service score, 1-on-1 counseling must be available outside of normal working hours. + 0.19
- 0.6% of your total 1-on-1 sessions were located in the field. To achieve a perfect service score, the number of 1-on-1 sessions located in the field must be 25% or more. + 1.01
- Your wait time for pre-scheduled in-house counseling sessions was 8 days. To achieve a perfect service score there must be no wait time for pre-scheduled in-house counseling sessions. + 0.15

- Your average wait time for walk-in counseling was 15 minutes. To achieve a perfect service score there must be no wait time for walk-in counseling. + 0.28
- You do not provide new written estimates during in-the-field 1-on-1 counseling sessions. To achieve a perfect service score, you must be able to provide a new written estimate during each of walk-in, pre-schedule in-house and in-the-field sessions. + 0.12
- You do not provide accurate service credit purchase cost estimates during in-the-field 1-on-1 counseling sessions. To achieve a perfect service score, you must be able to provide accurate service credit purchase cost estimates during each of walk-in, pre-schedule in-house and in-the-field sessions. + 0.02
- You do not provide closed door, private office 1-on-1 counseling. To achieve a perfect service score you must provide closed door, private office 1-on-1 counseling. + 0.15
- You do not regularly review counselors for coaching purposes. To achieve a perfect service score you must regularly review counselors for coaching purposes. + 0.15

#### **2D Presentations and Group Counseling (0.48 potential improvement to your total service score)**

- 88.3% of your presentations are held in the field or via live webcast. To achieve a perfect service score 95% or more of your presentations must be held in the field or via live webcast. + 0.11
- On average, you had 31.6 attendees per presentation. To achieve a perfect service score you must average 20 attendees per presentation or fewer. + 0.37

#### **2E Written Pension Estimates (1.34 potential improvement to your total service score)**

- You provide estimates on average in 13 days. To achieve a perfect service score, the weighted average time required to provide written and online estimates must be same day or less. + 0.59
- You offer estimates through member statements and website. To achieve a perfect service score you must offer estimates via member statement, website and call center. + 0.62
- You limit the timeframe when members can request estimates. To achieve a perfect service score you cannot place a limit on the timeframe when members can request an estimate. + 0.13

#### **2F Mass Communication - Website (8.85 potential improvement to your total service score)**

- Your interactive calculator is not linked to member data. To achieve a perfect service score you must link member data to your interactive calculator. + 2.27
- You do not offer secure access to both salary and service credit data. To achieve a perfect service score you must offer secure access to both salary and service credit data. + 0.34
- On-line salary and service credit data is not up-to-date to the most recent pay period. To achieve a perfect service score this data must be up-to-date to the most recent pay period. + 0.34
- You do not provide a complete annual history of salary and service credit data on your website. To achieve a perfect service a complete annual history of salary and service credit data must be available to members. + 0.23
- You do not greet members by name when they log-in to your website. To achieve a perfect service score you must greet members by name when they log-in. + 0.23
- You do not offer live chat on your website. To achieve a perfect score you must offer live chat on your website. + 0.23
- You do not offer a digital file which includes a history of recent correspondence and member documents on your website. To achieve a perfect score you must offer a digital file

which includes a history of recent correspondence and member documents on your website.	+ 0.23
• You do not make all forms available on-line. To achieve a perfect service score all forms must be available to the member on-line.	+ 0.68
• Members cannot register for 1-on-1 counseling sessions in real-time online. To achieve a perfect score members must be able to register for 1-on-1 counseling sessions in real-time online.	+ 0.11
• You do not offer access to the secure member area to inactive members. To achieve a perfect score inactive members must have access to the secure member area.	+ 0.11
• Members cannot change their address online. To achieve a perfect score members must be able to change their address online.	+ 0.34
• Members cannot change beneficiaries online. To achieve a perfect score members must be able to change beneficiaries online.	+ 0.23
• Members cannot add or change their email address online. To achieve a perfect score members must be able to add or change their email address online.	+ 0.34
• Members cannot reset their password online. To achieve a perfect score members must be able to reset their password online.	+ 0.11
• Members cannot change their annuity deposit banking information online. To achieve a perfect score members must be able to change their annuity deposit banking information online.	+ 0.23
• Members cannot change their tax withholding amount online. To achieve a perfect score members must be able to change their tax withholding amount online.	+ 0.23
• Members cannot download or print tax receipts online. To achieve a perfect score members must be able to download or print tax receipts online.	+ 0.34
• Members cannot view their pension payment gross amounts and deductions (payment stubs) online. To achieve a perfect score members must be able to view their pension payment gross amounts and deductions (payment stubs) online.	+ 0.34
• Members cannot apply for retirement online. To achieve a perfect score members must be able to apply for retirement online.	+ 0.34
• Pensions initiated online requiring follow-up documents or signatures to be mailed in is n/a. To achieve a perfect score pensions initiated online requiring follow-up documents must be less than 50.0%.	+ 0.23
• Members cannot check the status of their retirement application online. To achieve a perfect score members must be able to check the status of their retirement application online.	+ 0.11
• Members cannot apply for a transfer-out or refund online. To achieve a perfect score members must be able to apply for a transfer-out or refund online.	+ 0.34
• Members cannot download a member statement online. To achieve a perfect score members must be able to download a member statement online.	+ 0.23
• Members cannot upload documents online in lieu of mailing hardcopies. To achieve a perfect score members must be able to upload documents online in lieu of mailing hardcopies.	+ 0.34
• Members cannot view pensionable earnings and/or service online without downloading. To achieve a perfect score members must be able to view pensionable earnings and/or service online without downloading.	+ 0.34

**2F Mass Communication - Newsletters (0.75 potential improvement to your total service score)**

- You have different newsletters for 2 segments. To achieve a perfect service score you must

- send different newsletters to 3 or more segments. + 0.31
- You do not issue a 'welcome' kit to new members. To achieve a perfect service score you must issue a 'welcome' kit to new members. + -0.06
- You do not send out personalized letters to members that are new. To achieve a perfect service score you must send out personalized letters to members that are new. + 0.06
- You do not send out personalized letters to members approaching eligibility, or becoming eligible, for retirement. To achieve a perfect service score you must send out personalized letters to members approaching eligibility, or becoming eligible, for retirement. + 0.21
- You do not send out personalized letters to members eligible, or likely eligible, to purchase service credit. To achieve a perfect service score you must send out personalized letters to members eligible, or likely eligible, to purchase service credit. + 0.06
- You do not send out personalized letters to members with no beneficiary on file. To achieve a perfect service score you must send out personalized letters to members with no beneficiary on file. + 0.06
- You do not send out personalized letters to members about to become vested for disability benefits. To achieve a perfect service score you must send out personalized letters to members about to become vested for disability benefits. + 0.03
- You do not send out personalized letters to members with no email address on file. To achieve a perfect service score you must send out personalized letters to members with no email address on file. + 0.03
- You do not send out personalized letters to members who have never visited the secure member area. To achieve a perfect service score you must send out personalized letters to members who have never visited the secure member area. + 0.03
- You do not publish member statements, your annual report, newsletters, website and brochures or pamphlets in more than one language. To achieve a perfect service score you must publish member statements, your annual report, newsletters, website and brochures in a language other than English. + 0.03

**2F Mass Communication - Member Statements (0.53 potential improvement to your total service score)**

- Approximately 0.9% of members complain about the accuracy of data in their member statements. To achieve a perfect service score 0% of members complain about the accuracy of data in their member statements. + 0.11
- Your member statement data is current to 3 months. To achieve a perfect service score your member statement data must be current to one month or less. + 0.19
- Your member statements do not contain a summary of salary and service credit earned each year. To achieve a perfect service score member statements must contain a summary of salary and service credit earned each year. + 0.24

**Satisfaction Surveying (3.29 potential improvement to your total service score)**

**a. 1-on-1 counseling (0.55 potential improvement to your total service score)**

- You do not survey satisfaction for 1-on-1 counseling. To achieve a perfect service score you must do satisfaction surveying for 1-on-1 counseling where: (i) 1-on-1 counseling is the primary focus, (ii) the greatest length of time between the counseling session and the survey is 14 days or less, (iii) surveys are continuous or occur more than 11 times per year, (iv) you can summarize results by service representative, (v) you can summarize results by topic covered, and (vi) the survey is delayed at least one day from the session. + 0.55

**b. Member presentations (0.05 potential improvement to your total service score)**

- Your satisfaction survey for member presentations was not delayed by at least one day from the presentation. To achieve a perfect service score you must wait at least one day from the presentation before surveying. + 0.05
- c. Member telephone calls (0.32 potential improvement to your total service score)
- You are unable to summarize member telephone calls satisfaction survey results by topic covered. To achieve a perfect service score you must be able to summarize member telephone calls satisfaction survey results by topic covered. + 0.16
  - Your satisfaction survey for member telephone calls was not delayed by at least one day from the call. To achieve a perfect service score you must wait at least one day from the call before surveying. + 0.16
- d. Pension inceptions (0.55 potential improvement to your total service score)
- You do not survey satisfaction for pension inceptions. To achieve a perfect service score you must do satisfaction surveying for pension inceptions where: (i) inceptions are the primary focus, (ii) the greatest length of time between the inception and the survey is 14 days or less, and (iii) the surveys are continuous or occur more than 11 times per year. + 0.55
- e. Written pension estimates (0.35 potential improvement to your total service score)
- You do not survey satisfaction for pension estimates. To achieve a perfect service score you must do satisfaction surveying for pension estimates where: (i) estimates are the primary focus, (ii) the greatest length of time between the estimate and the survey is 14 days or less, and (iii) the surveys are continuous or occur more than 11 times per year. + 0.35
- f. Website - secure member area (0.85 potential improvement to your total service score)
- You do not survey satisfaction for your website - secure member area. To achieve a perfect service score you must do satisfaction surveying for your website - secure member area where: (i) the website was the primary focus, (ii) the greatest length of time between the visit to the secure member area and the survey is 7 days or less, (iii) the surveys are continuous or occur more than 11 times per year, (iv) you can summarize results by area visited, (v) 100% of users are not surveyed, and (vi) the survey was not a menu item. + 0.85
- g. Withdrawals & transfers-out (0.10 potential improvement to your total service score)
- You do not survey satisfaction for withdrawals and transfers-out. To achieve a perfect service score you must do satisfaction surveying for withdrawals and transfers-out where: (i) the withdrawals and transfers-out were the primary focus, (ii) the greatest length of time between the refund, lump-sum payment or transfers-out and the survey is 14 days or less, (iii) the surveys are continuous or occur more than 11 times per year. + 0.10
- h. Purchases & transfers-in (0.23 potential improvement to your total service score)
- You do not survey satisfaction for purchases and transfers-in. To achieve a perfect service score you must do satisfaction surveying for purchases and transfers-in where: (i) the purchase or transfer-in were the primary focus, (ii) the greatest length of time between the purchases or transfer-in and the survey is 7 days or less, and (iii) the surveys are continuous or occur more than 11 times per year. + 0.23
- i. Disability (0.28 potential improvement to your total service score)
- You do not survey satisfaction for disability. To achieve a perfect service score you must do satisfaction surveying for disability where: (i) disability was the primary focus, (ii) the greatest length of time between the disability decision and the survey is 14 days or less, and (iii) the surveys are continuous or occur more than 11 times per year. + 0.28

**Disaster Recovery (0.42 potential improvement to your total service score)**

- Following a disaster, you can continue to make pension payments in 5 days. To achieve a perfect service score you must be able to continue making pension payments in 2 days or less. + 0.10
- Following a disaster, you can return to normal inception volumes in 25 days. To achieve a perfect service score you must be able to return to normal inception volumes in 2 days or less. + 0.11
- Following a disaster, you can collect data and money from employers in 25 days. To achieve a perfect service score you must be able to collect data and money from employers in 2 days or less. + 0.10
- Following a disaster, your call center can return to normal service levels in 3 days. To achieve a perfect service score the call center must be able to return to normal service levels in 2 days or less. + 0.01
- You do not have an independent auditor that reviews and tests the disaster recovery plan. To achieve a perfect service score an independent auditor must review and test your disaster recovery plan. + 0.10

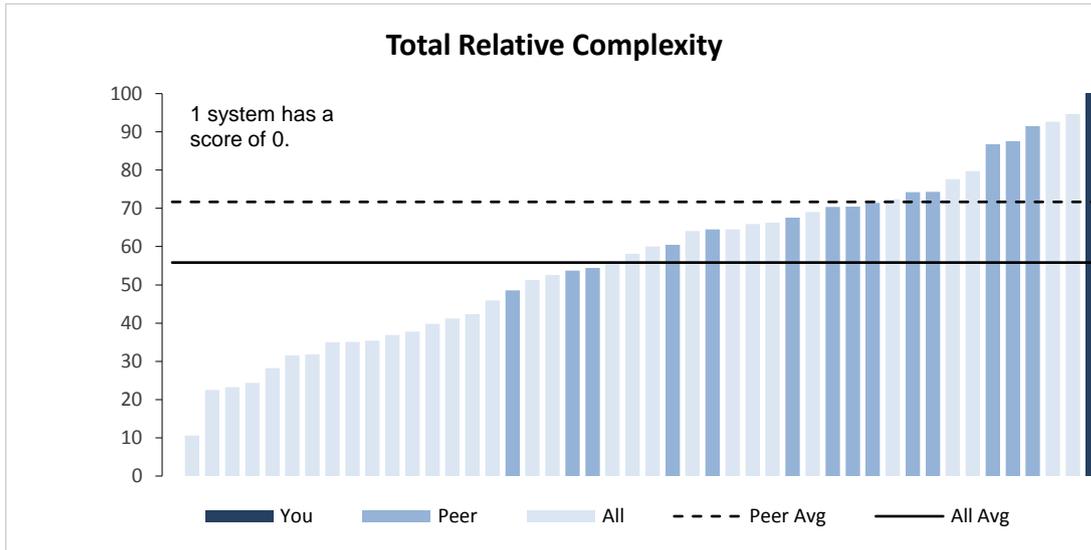
# Plan Complexity

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This section:

- Identifies causes of retirement system complexity
- Compares your system's complexity to your peers and other retirement systems

## Your relative complexity score was above the peer average.



Your total relative complexity equals the scaled weighted average of your complexity by cause. The causes of complexity, are summarized on the following page.

### **Use Caution When Interpreting Your Results**

The complexity scores are relative measures. Relative measures rank all participants from relatively least to relatively most complex on a scale of 0 to 100. A low relative complexity score does not mean that your system is not complex, rather it means that your system is relatively less complex than your peers. All retirement systems are very complex, so even a system that has a 0 total relative complexity score is still very complex.

### **Scaling Methodology**

Scaling your responses from 0 (least complex) to 100 (most complex) is done extensively throughout this section. The benefit of scaling is that all results and responses are converted to, and compared on, the same scale. This is true whether the responses range from 3 to 800 or from 1 to 3. The lowest response is always converted to 0 and the highest response is always converted to 100.

*Your scaled score =*

$$100 \times (\text{your response} - \text{minimum response}) / (\text{maximum response} - \text{minimum response})$$

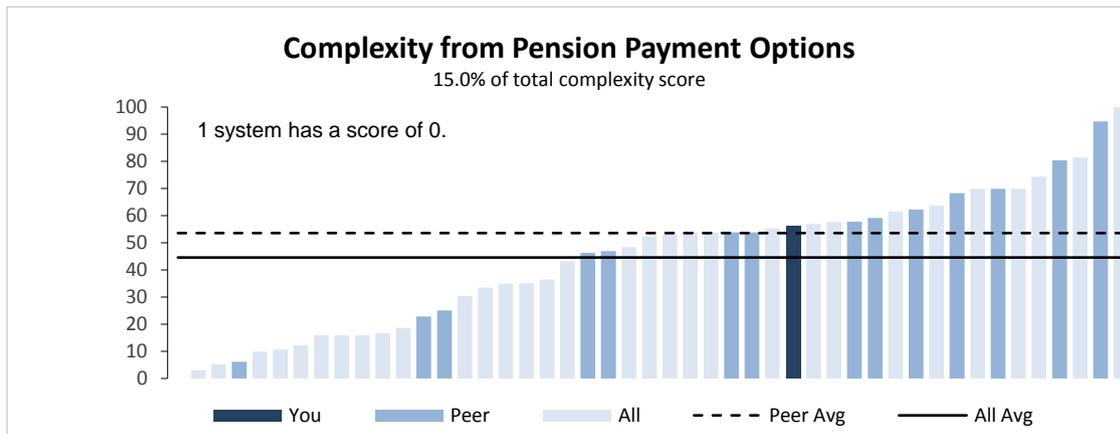
Often, complexity relationships are not linear. For example, the difference in complexity between a system with 1 retirement formula for all members versus a system with 10 different retirement formulas is much greater than the difference in complexity between a system with 10 retirement formulas and a system with 20 retirement formulas. Each additional retirement formula causes increasingly smaller increments in complexity. These diminishing increments in complexity are reflected mathematically by raising the responses to the power of 0.3 prior to using the scaling formula.

## Complexity scores by cause

Your total relative complexity equals the scaled weighted average of your complexity by cause. Your relative complexity by cause is summarized in the table below. The remainder of this section shows how the scores were calculated.

Complexity Scores by Cause				
Cause	Weight	Relative Complexity (0 least - 100 most)		
		You	Peer Avg	All Avg
A Pension Payment Options	15.0%	56	54	45
B Customization Choices	20.0%	100	24	19
C Multiple Plan Types and Overlays	10.0%	95	53	31
D Multiple Benefit Formula	16.0%	27	43	34
E External Reciprocity	3.0%	35	29	19
F COLA Rules	4.0%	12	30	30
G Contribution Rates	3.0%	36	54	47
H Variable Compensation	4.0%	100	81	77
I Service Credit Rules	3.0%	59	61	53
J Divorce Rules	3.0%	100	69	67
K Purchase Rules	5.5%	55	68	62
L Refund Rules	4.0%	31	52	44
M Disability Rules	6.0%	82	78	58
N Translation	0.5%	0	7	25
O Defined Contribution Plan Rules	3.0%	100	73	43
Weighted Average (before scaling)	100.0%	66	49	39
Scaled Total Complexity - Average		100	72	56
Scaled Total Complexity - Median		100	70	58

## A. Pension Payment Options Complexity



Weight	Relevant Complexity Questions and Scoring	You	Peer Avg	All Avg
10%	<p>Q144 Do you have a designer option where members can design virtually any actuarially sound cash flow they choose? [Designer options need to be custom priced by an actuary.] <i>Complexity: 100 if yes, otherwise 0.</i></p>	No 0	13% Yes 13	9% Yes 9
30%	<p>Q139 Do you offer "joint and survivor" options that are:</p> <p>a) Reduced to Beneficiary Only? [For example, If the beneficiary dies first, then the retiree's pension continues at the same level. However if the retiree dies first then the beneficiary receives a reduced pension (such as 70% for spouse).]</p> <p>b) Reduced to Last Survivor? [For example, if either the retiree or beneficiary dies the survivor receives a reduced pension (such as 70%, etc.).]</p> <p>c) "Reversion" or "Pop-up"? [For example, if the beneficiary dies first, the retiree's pension increases to an unmodified level. However, if the retiree dies first the pension does not increase for the surviving beneficiary (and it may decrease).]</p> <p><i>Complexity: 100 if all 3 types (yes to a, b and c), 85 if both reduced to spouse and reduced to last (yes to a and b), 75 if reversion and either reduced to spouse or reduced to last (yes to c and either a or b), otherwise 0.</i></p>	Yes  Yes  Yes	80% Yes 27% Yes 87% Yes	79% Yes 26% Yes 60% Yes
10%	<p>Q140 How many Joint and Beneficiary or Survivor percentages (i.e., 100% Survivor, 50% Survivor, etc.) do you permit? [If you permit any % selected by the member, then indicate "unlimited".] <i>Complexity: 100 if unlimited, otherwise maximum of 100 and 10 X number of percentages.</i></p>	2  20	13  66	8  56

## A. Pension Payment Options Complexity

page 2 of 3

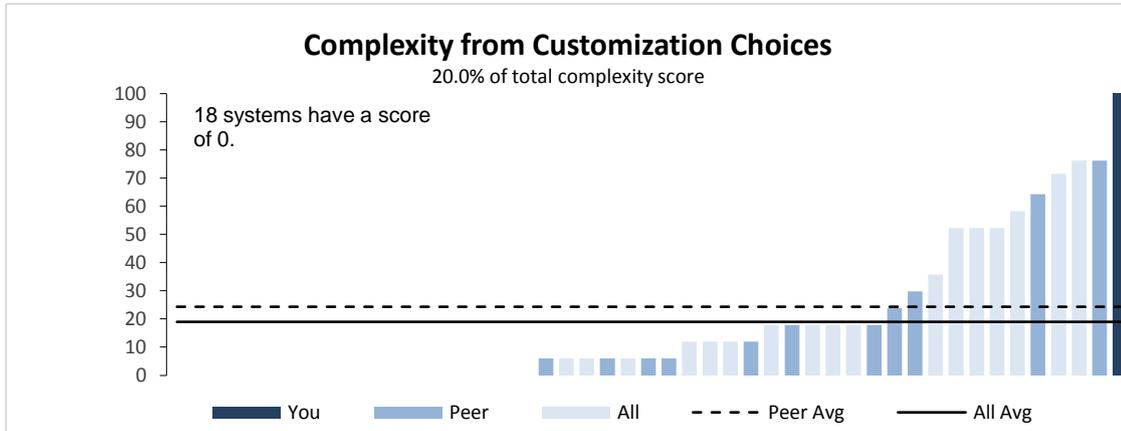
Weight	Relevant Complexity Questions and Scoring	You	Peer Avg	All Avg
10%	Q149 How many mortality tables do you keep track of for determining joint and survivor or beneficiary options? <i>Complexity: Scaled measure where the system that tracks the most mortality tables gets 100 and the least 0.</i>	1	18	7
		0	12	7
10%	Q141 Do any of your retirement formula for members explicitly subtract estimated Social Security (or CPP in Canada) when determining the benefit? a) If yes, is this true for all of your members or are some pensions reduced to reflect Social Security and others not? b) If yes, do you have a "Level Income" option for early retirees that pays a higher benefit to members prior to age 65 and then reduces the benefit at age 65 when social security (or CPP in Canada) starts to be paid? <i>Complexity: 50 if you adjust for social security + 25 if you adjust for some members but not all + 25 if you have a level income for early retirees.</i>	No	33% Yes	51% Yes
		n/a	0% Yes	38% Yes
		n/a	80% Yes	92% Yes
		0	32	45
5%	Q142 Do you have "High/ Low" or "Low/High" options that are not tied to social security? [For example, a retiree might want higher payments for 10 years until a mortgage obligation is repaid, followed by lower payments.] <i>Complexity: 100 if yes, otherwise 0.</i>	No	7% Yes	6% Yes
		0	7	6
5%	Q143 Do you offer "Annuity Certain" options? [For example, Annuity Certain options provide the annuitant with a monthly benefit for life. If the annuitant dies before a set guarantee period, monthly benefits continue to be paid to a beneficiary for the balance of the guarantee period.] <i>Complexity: 100 if yes, otherwise 0.</i>	Yes	67% Yes	53% Yes
		100	67	53
5%	Q145 Can a member choose between a COLA protected and a non-COLA pension? [The only example we have seen provides a much higher FAS salary base for the non-COLA pension.] <i>Complexity: 100 if yes, otherwise 0.</i>	No	0% Yes	6% Yes
		0	0	6

## A. Pension Payment Options Complexity

page 3 of 3

Weight	Relevant Complexity Questions and Scoring	You	Peer Avg	All Avg
5%	<p>Q146 Do you have a Deferred Retirement Option Plan (“DROP”)? [This option allows eligible employees to receive payment of retirement benefits while continuing to work. These payments are usually deposited into a separate account, and the total accumulated value of this account is paid via lump sum to the employee on actual retirement.] <i>Complexity: 100 if yes, otherwise 0.</i></p>	No 0	20% Yes 20	23% Yes 23
5%	<p>Q147 At retirement, can a member convert: a) Part of his benefit into a partial lump sum payment? b) All of his benefit into a lump sum or commuted value payment? [That can be rolled over to another fund, or investment account, etc.] <i>Complexity: 100 if yes to a or b, 0 if no.</i></p>	No 0	67% Yes 73	34% Yes 53
5%	<p>Q148 Are members permitted to retire mid-month (in which case they receive a partial pension payment for the remainder of the month) or are they always assumed to retire on a set day (usually the first or the last day) of the month? <i>Complexity: 100 if any day, otherwise 0.</i></p>	Any Day 100	33% Any 33	38% Any 38
100%	<p>Weighted Average Scaled Complexity Score for Pension Payment Options</p>	42 56	40 54	34 45

## B. Customization Choices Complexity



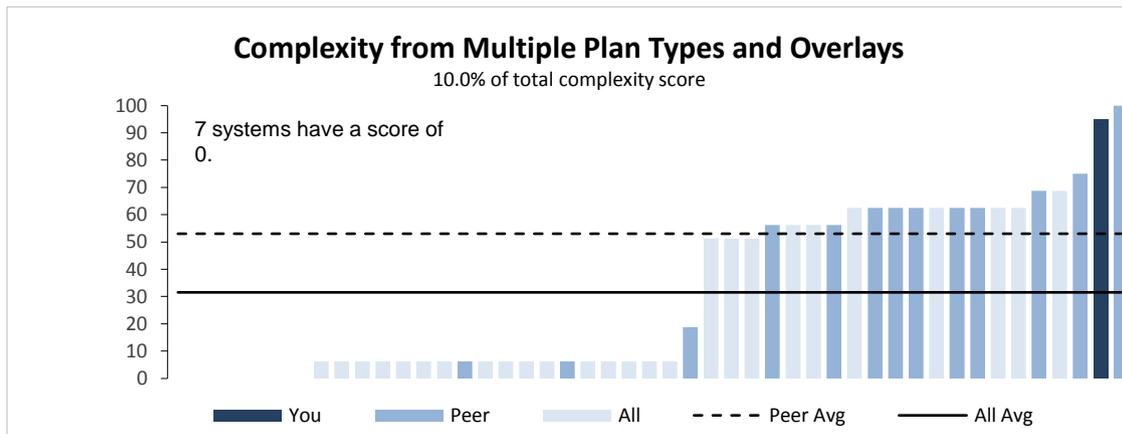
Weight	Relevant Complexity Questions and Scoring	You	Peer Avg	All Avg
	<p>Q180 Can either existing employers, or a new employer joining your system, choose:</p> <p>a) Whether they offer early retirement, or a window of early retirement?</p> <p>b) Whether or not part-time employees are eligible?</p> <p>c) Whether employee contributions are paid pre or post tax?</p> <p>d) Whether they pay for employee contributions themselves, or not?</p> <p>e) Position coverage based on predetermined rule sets? [For example, employers can choose from a list of pre-determined rules sets such as 1.5% X FAS for General and 2.5% X FAS for Law Enforcement. Employers may have flexibility to determine eligibility for each group.]</p> <p>f) Contribution levels and/ or match rates? [For example, at Texas MRS, employers can choose employee deposit rates of 5%, 6% or 7% and employer match rates of 1 to 1, 1.5 to 1 or 2 to 1. We think this only applies to money match and DC plans because for DB plans the promised benefit determines the contribution.]</p> <p>g) To pay for one-time improvements in retiree or member benefits? [For example, one fund's employers can elect to pay to improve the money purchase entitlement of their members.]</p>	<p>No</p> <p>No</p> <p>No</p> <p>Yes</p> <p>No</p> <p>No</p> <p>Yes</p>	<p>27% Yes</p> <p>7% Yes</p> <p>47% Yes</p> <p>53% Yes</p> <p>20% Yes</p> <p>7% Yes</p> <p>13% Yes</p>	<p>19% Yes</p> <p>11% Yes</p> <p>19% Yes</p> <p>32% Yes</p> <p>11% Yes</p> <p>9% Yes</p> <p>17% Yes</p>

## B. Customization Choices Complexity

page 2 of 2

Weight	Relevant Complexity Questions and Scoring	You	Peer Avg	All Avg
	<p>Q181 When new employers join your system, do they have the flexibility to customize any of the following items: If yes, indicate the number of standard choices for that item.</p> <p>a) Benefit program multipliers? [e.g., 2% per year of service, 2.5% per year of service, etc]</p> <p>b) Final salary definition? [e.g., Sick Leave in or out, Final 1 year, Highest 5 consecutive years, etc]</p> <p>c) Retirement eligibility rules? [i.e., age and/or years of service required to retire].</p> <p>d) Cost of living adjustment rules? [e.g., CPI capped at 2%, CPI uncapped, etc]</p> <p>e) Vesting period?</p> <p>f) Service credit purchase categories?</p> <p>g) Death benefit coverage? [e.g. One system has 3 choices: none, \$5,000 and \$10,000]</p> <p>h) Disability coverage rules?</p> <p>i) Choice as to whether and how contributions and benefits are coordinated with social security?</p> <p>j) Other (describe)?</p> <p>Total Customization Choices [Sum of 1 for each yes in Q180 + sum of # of choices in Q181]</p>			
		n/a	n/a	4
		n/a	2	2
		n/a	n/a	4
		n/a	n/a	2
		n/a	n/a	n/a
		5	4	3
		n/a	n/a	2
		2	2	2
		n/a	n/a	1
		n/a	1	1
		9	3	2
90%	<i>Complexity: Scaled measure where the system with the most customization choices receives 100 and the least 0.</i>	13	4	3
	<p>Q182 Can an existing employer change any of the choices (per question 181 above), effectively creating a new or altered rule set, at any time?</p> <p><i>Complexity: 100 if yes, otherwise 0.</i></p>	Yes	20% Yes	17% Yes
10%		100	20	17
100%	Weighted Average	22	5	4
	Scaled Complexity Score for Customization Choices	100	24	19

## C. Multiple Plan Types and Overlays Complexity



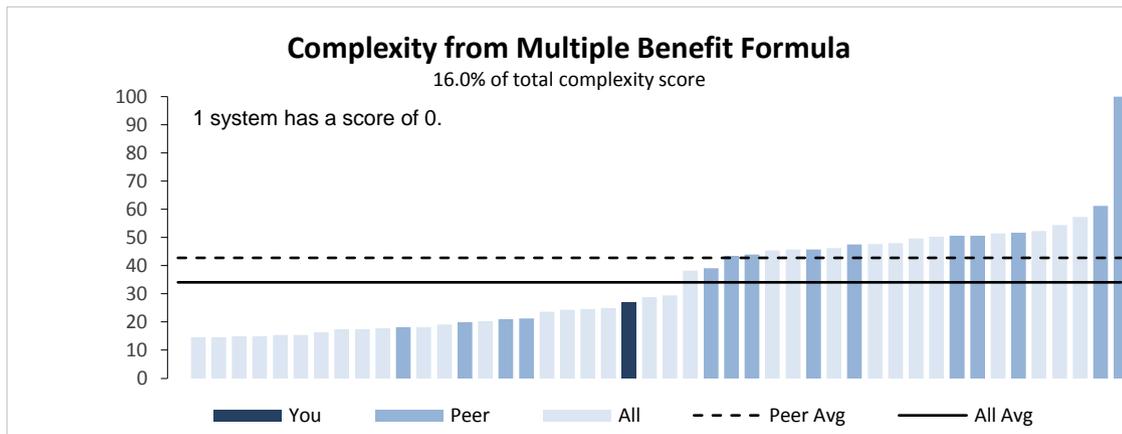
Weight	Relevant Complexity Questions and Scoring	You	Peer Avg	All Avg
	<p>Q129 Which of the following descriptions best describes the non-optional benefit plans that you administer for each of your member groups:</p> <p>a) Traditional Defined Benefit ("DB")?</p> <p>b) DB Cash Balance (aka Money Purchase)?</p> <p>c) Hybrid DB/ DC Cash Balance?</p> <p>d) Hybrid DB/ Money Match?</p> <p>e) DROP savings?</p> <p>f) Defined Contribution ("DC")?</p> <p>g) Hybrid DB/ DC?</p> <p>h) Other (describe)?</p> <p>Total number of different plan types. Hybrid plans count as 2 types.</p>	<p>No</p> <p>No</p> <p>No</p> <p>No</p> <p>No</p> <p>No</p> <p>Yes</p> <p><u>No</u></p> <p>2.0</p>	<p>87% Yes</p> <p>7% Yes</p> <p>7% Yes</p> <p>7% Yes</p> <p>13% Yes</p> <p>20% Yes</p> <p>73% Yes</p> <p><u>7% Yes</u></p> <p>3.1</p>	<p>95% Yes</p> <p>2% Yes</p> <p>4% Yes</p> <p>2% Yes</p> <p>10% Yes</p> <p>17% Yes</p> <p>28% Yes</p> <p><u>6% Yes</u></p> <p>2.1</p>
45%	<p><i>Complexity: 100 if 3 or more different plan types, 80 if 2, 0 if 1.</i></p>	80	72	43

## C. Multiple Plan Types and Overlays Complexity

page 2 of 2

Weight	Relevant Complexity Questions and Scoring	You	Peer Avg	All Avg
30%	<p>Q130 Do members in any of your defined benefit plan(s) have the option of electing: [These questions are not applicable for DC plans or the DC portion of hybrid DB/DC plans]</p> <p>a) A 'variable investment option' that can increase or decrease the value of a member's future DB pension depending on the investment performance of a 'variable fund'?</p> <p><i>Complexity: 100 if yes, otherwise 0.</i></p>	Yes 100	13% Yes 13	4% Yes 4
10%	<p>b) A 'pension savings overlay'? [Some Dutch systems have this option. The additional contributions are converted into an annuity at retirement. Interest is based on a fixed percentage or on the performance of the pension fund.]</p> <p><i>Complexity: 100 if yes, otherwise 0.</i></p>	Yes 100	27% Yes 27	8% Yes 9
10%	<p>c) To change their contribution rate in order to get either more money at retirement or earlier eligibility to retire? [For example, some of the Australian DB plans permit the employee to contribute at a higher rate causing benefits to accrue more quickly so the member's defined benefit at retirement will be greater.]</p> <p><i>Complexity: 100 if yes, otherwise 0.</i></p>	No 0	0% Yes 0	2% Yes 2
5%	<p>Q131 Do you have a Highly Compensated Employee replacement benefit program for employees that exceed legal or contractual limits of maximum pensionable earnings?</p> <p><i>Complexity: 100 if yes, otherwise 0.</i></p>	No 0	67% Yes 67	71% Yes 70
100%	Weighted Average	76	42	25
	Scaled Complexity Score for Multiple Plan Types and Overlays	95	53	31

## D. Multiple Benefit Formula Complexity



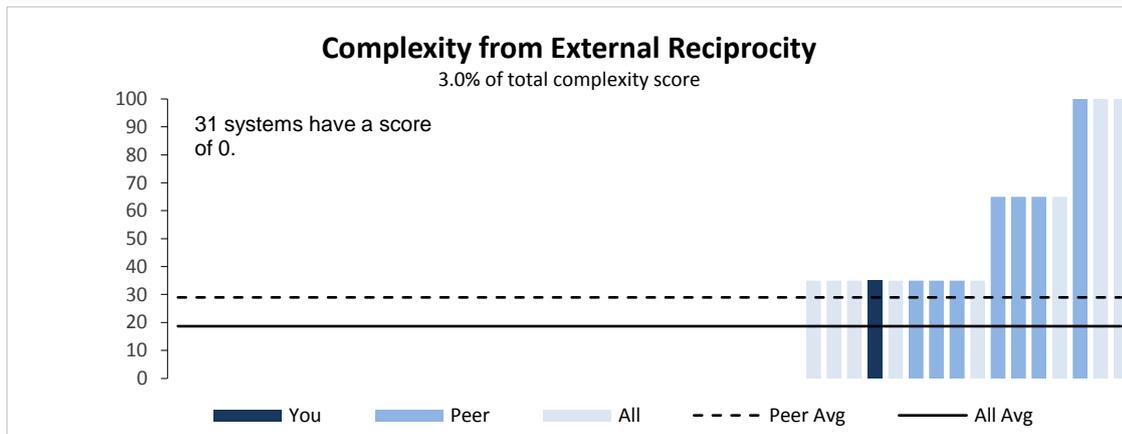
Weight	Relevant Complexity Questions and Scoring	You	Peer Avg	All Avg
30%	Q153 How many different rule sets do you have that apply to member groups or subsets of a member group for qualifying for an unreduced retirement formula? <i>Complexity: Scaled measure where the system with the most rule sets gets 100 and the least 0.</i>	13	14	8
		13	14	8
5%	Q154 Can members retire earlier than the age required for an unreduced retirement formula? <i>Complexity: 100 if yes, 0 if no</i>	Yes 100	100% Yes 100	98% Yes 98
20%	Q155 How many different salary definitions could apply in retirement formula calculations? <i>Complexity: Scaled measure where the system with the most salary definitions receives 100 and the least 0.</i>	2	5	4
		52	65	59
25%	Q156 How many different 'formula percentage' rule sets could apply in unreduced retirement formulas? <i>Complexity: Scaled measure where the system with the most rule sets gets 100 and the least 0.</i>	8	12	7
		21	21	14

## D. Multiple Benefit Formula Complexity

page 2 of 2

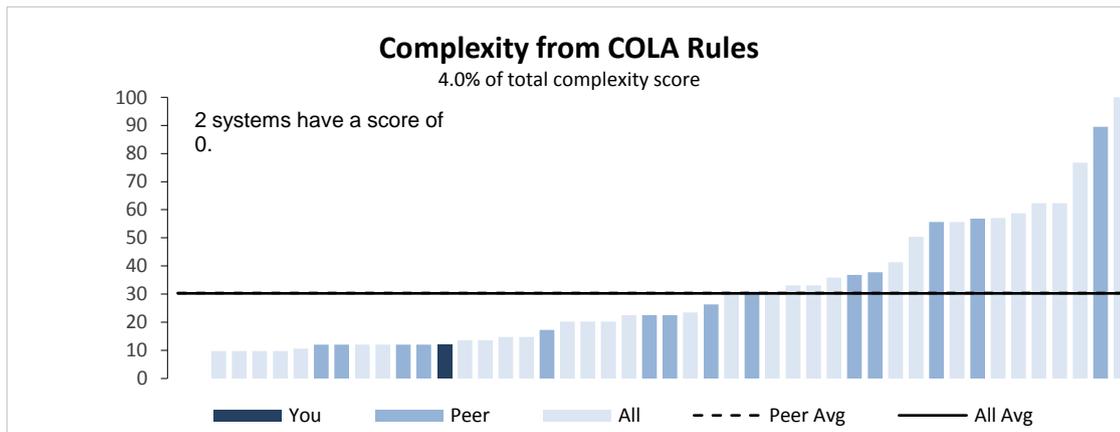
Weight	Relevant Complexity Questions and Scoring	You	Peer Avg	All Avg
	<p>Q157 Do you have different employers with different benefit formula? If yes, which of the following happens when a member moves from one employer that you administer to another with a different benefit formula? [For example, moves from PERS to Law Enforcement.]</p> <p>a) Each system uses its own formula and salary data to determine the benefit.</p> <p>b) Each system applies its own formula but uses either the salary earned in the last system, or the highest salary (or salaries) in either system.</p> <p>c) The highest formula will apply.</p> <p>d) The formula of the plan where the member works last will apply.</p> <p>e) Other (describe)</p>	No	67% Yes	50% Yes
		n/a	50% Yes	57% Yes
		n/a	30% Yes	43% Yes
		n/a	20% Yes	8% Yes
		n/a	30% Yes	30% Yes
		n/a	10% Yes	22% Yes
20%	<i>Complexity: 100 if b or c apply, 80 if d or e, 60 if a, otherwise 0.</i>	0	59	43
100%	Weighted Average	25	39	31
	Scaled Complexity Score for Multiple Benefit Formula	27	43	34

## E. External Reciprocity Complexity



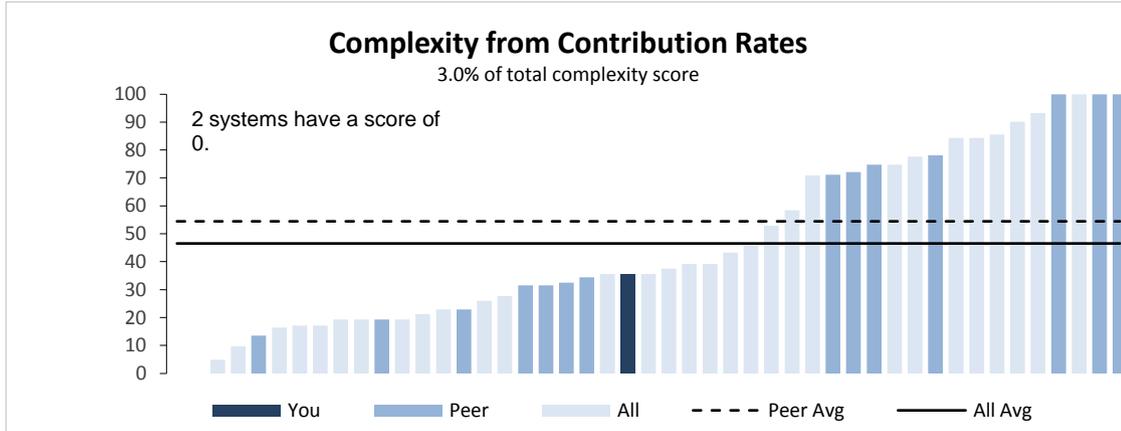
Weight	Relevant Complexity Questions and Scoring	You	Peer Avg	All Avg
35%	<p>Q158 Do you have agreements with external systems where you both agree to use the member's final salary from the system where the member worked immediately prior to retirement in the benefit calculation? [Otherwise, each system pays the "dual" member a pension benefit based on its own rules for determining the benefit. Neither credit nor money are transferred between systems.]</p> <p><i>Complexity: 100 if yes, otherwise 0.</i></p>	Yes 100	33% Yes 33	26% Yes 26
65%	<p>Q159 Do you have agreements with external Systems where the member may combine internal and external credit to form one joint account?</p> <p><i>Complexity: 100 if yes, otherwise 0.</i></p>	No 0	27% Yes 27	15% Yes 15
100%	<p>Weighted Average</p> <p>Scaled Complexity Score for External Reciprocity</p>	35	29	19

## F. COLA Rules Complexity



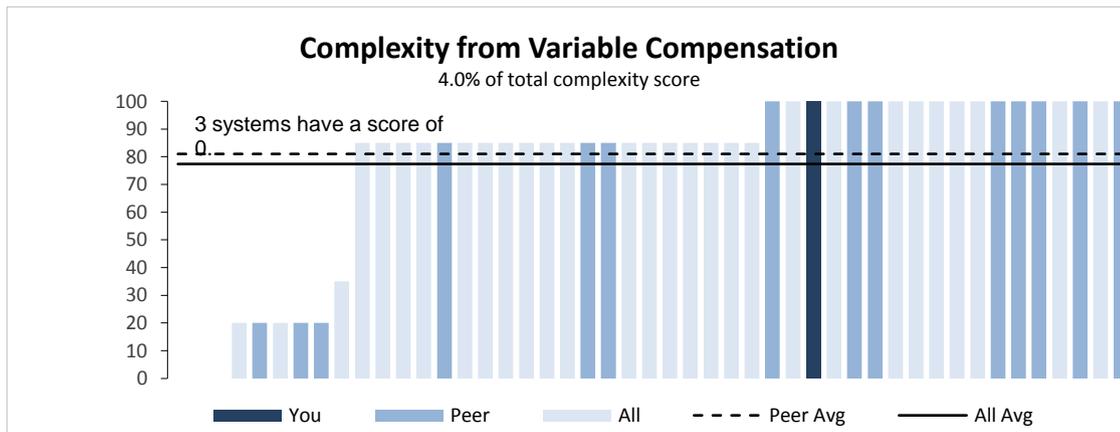
Weight	Relevant Complexity Questions and Scoring	You	Peer Avg	All Avg
20%	<p>Q150 How many different cost of living adjustment ("COLA") rule sets do you have for retired, and if applicable, inactive members? (These rule sets may be either contractual or legislated.) <i>Complexity: Scaled measure where the system with the most rule sets receives 100 and least receives 0.</i></p>	2	4	3
40%	<p>Q151 Do you have:</p> <p>a) Cost of living adjustment ("COLA") clauses that carry forward inflation that exceeds a cap (versus no cap or no carry forward or no COLA etc.)? <i>Complexity: 100 if yes, otherwise 0.</i></p>	No 0	20% Yes 20	21% Yes 21
10%	<p>b) Conditional COLA based on the level of funding? <i>Complexity: 100 if yes, otherwise 0.</i></p>	No 0	27% Yes 27	30% Yes 30
20%	<p>c) Umbrella legislation that guarantees the purchasing power of an annuitants' pension will not fall below a certain level? [An example of such legislated protection is the PPPA in California.] <i>Complexity: 100 if yes, otherwise 0.</i></p>	No 0	20% Yes 20	17% Yes 17
5%	<p>Q152 Do you have COLA clauses that increase the base pensionable earnings of inactive members? <i>Complexity: 100 if yes, otherwise 0.</i></p>	No 0	20% Yes 20	30% Yes 30
5%	<p>a) If yes, are these COLA increases the same as they are for annuitants? <i>Complexity: 100 if yes, otherwise 0.</i></p>	n/a 0	33% Yes 7	71% Yes 21
100%	<p>Weighted Average Scaled Complexity Score for COLA Rules</p>	11 12	29 30	29 30

## G. Contribution Rates Complexity



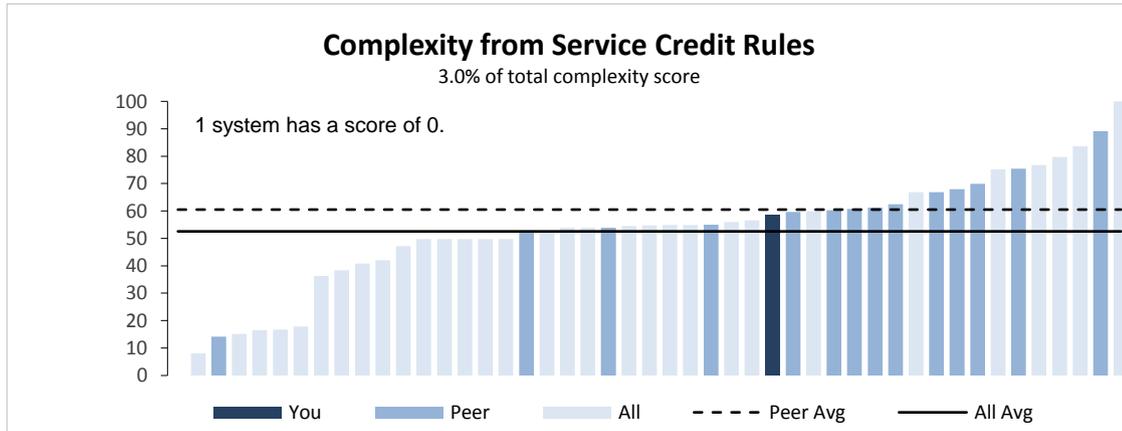
Weight	Relevant Complexity Questions and Scoring	You	Peer Avg	All Avg
40%	<p>Q183 How many different contribution percentages do you collect from:</p> <p>a) Employers? [For example, single member group systems may have only one contribution percentage whereas some multi-plan systems may collect numerous different contribution rates from various participating employers.]</p> <p><i>Complexity: 100 if 10 or more, otherwise 10 X number of contribution percentages subject to a maximum of 100.</i></p>	4	346	145
40%	<p>b) Members?</p> <p><i>Complexity: 100 if 10 or more, otherwise 10 X number of contribution percentages subject to a maximum of 100.</i></p>	4	10	11
17%	<p>Q184 Which of the following payment methods for employee contributions occur in the plans that you administer:</p> <p>a) No employee contributions?</p> <p>b) Employer pays his part and also the employee contributions?</p> <p>c) Employer withholds employee contributions pre-tax from his salary?</p> <p>d) Employer withholds employee contributions post-tax from his salary?</p> <p><i>Complexity: 100 if all 4 methods are possible, 66 if 3 methods, 33 if 2 methods, 0 if 1 method.</i></p>	No Yes Yes No	33% Yes 60% Yes 100% Yes 67% Yes	26% Yes 47% Yes 96% Yes 43% Yes
3%	<p>Q185 Do you have any other contributions in addition to the regular employee and employer contributions? [For example, Ohio SERS collects a surcharge for members who earn less than a minimum compensation amount.]</p> <p><i>Complexity: 100 if yes, otherwise 0.</i></p>	No 0	47% Yes 47	45% Yes 45
100%	<p>Weighted Average</p> <p>Scaled Complexity Score for Contribution Rates</p>	38 36	53 54	47 47

## H. Variable Compensation Complexity



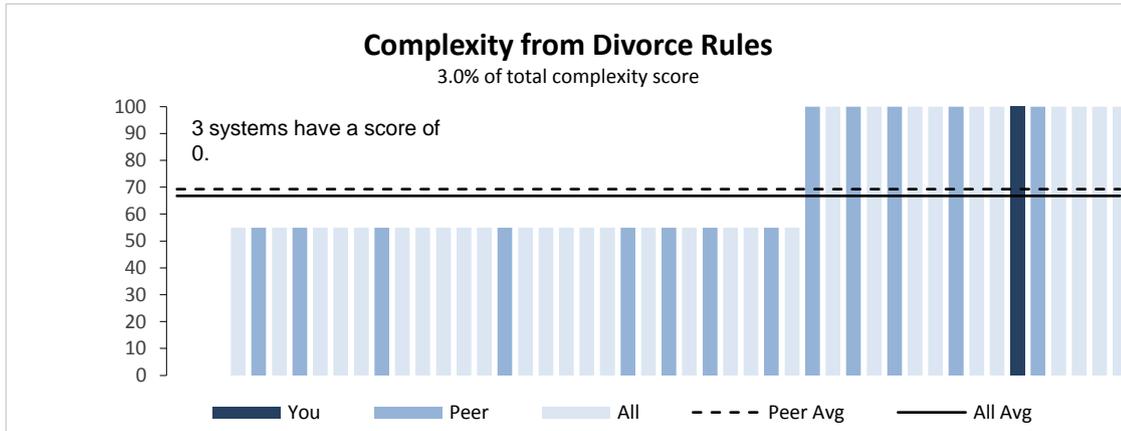
Weight	Relevant Complexity Questions and Scoring	You	Peer Avg	All Avg
20%	<p>Q178 Indicate which of the following forms of variable compensation are paid in your system. And, if paid, indicate whether all, some or none of that type of variable compensation is included in pensionable earnings.</p> <p>a) Bonuses?</p> <p>b) Allowances, such as remote location pay or 'high risk' duty allowance or a car allowance?</p> <p>c) Overtime pay?</p> <p>d) Commissions or similar payments such as fees paid to sheriffs for process serving?</p> <p><i>Complexity: 100 if variable compensation is paid in your system, otherwise 0.</i></p>	Yes Yes Yes Yes	87% Yes 87% Yes 93% Yes 40% Yes	87% Yes 87% Yes 85% Yes 43% Yes
65%	<p>If yes, is all, some or none of it included in pensionable earnings?</p> <p>a) Bonuses?</p> <p>b) Allowances, such as remote location pay or 'high risk' duty allowance or a car allowance?</p> <p>c) Overtime pay?</p> <p>d) Commissions or similar payments such as fees paid to sheriffs for process serving?</p> <p><i>Complexity: 100 if some types of variable compensation paid are included and some are not (i.e., either any of the above is 'some' or there is a mix of 'all' and 'none'), otherwise 0.</i></p>	All Some All All	24% All 16% All 79% All 51% All	13% All 18% All 55% All 41% All
15%	<p>Q179 When determining a member's pensionable earnings does a cap on salary increases apply?</p> <p><i>Complexity: 100 if yes, 0 if no</i></p>	Yes 100	60% Yes 60	40% Yes 40
100%	<p>Weighted Average</p> <p>Scaled Complexity Score for Variable Compensation</p>	100 100	81 81	77 77

## I. Service Credit Rules Complexity



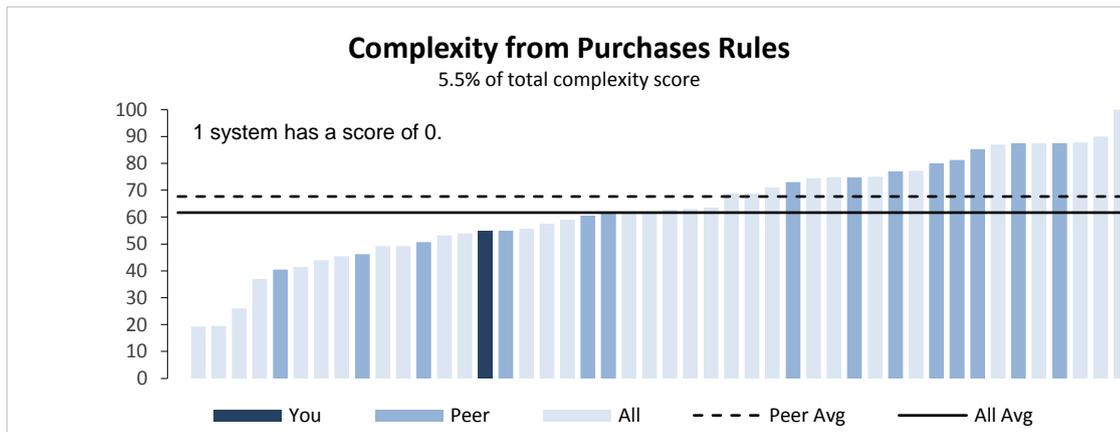
Weight	Relevant Complexity Questions and Scoring	You	Peer Avg	All Avg
30%	Q160 How many different definitions do you have for a "full year" of service credit? <i>Complexity: Scaled measure where the system with the most different definitions receives 100 and least receives 0.</i>	2	4	6
		6	12	13
30%	Q161 Does your system have more than one payroll year for determining service credit? a) If yes, how many different payroll years exist in your system? <i>Complexity: Scaled measure where the system with the most different payroll years receives 100 and least receives 0.</i>	Yes 2	33% Yes 4	32% Yes 6
		13	8	10
5%	Q162 How many different vesting periods do you have that apply to active members? [Your answer should be 0 if you have immediate vesting. Most North American systems have only one.] <i>Complexity: Scaled measure where the system with the most different vesting periods receives 100 and least receives 0.</i>	0	3	2
		0	63	53
30%	Q163 b) Casual/ temporary/ intermittent/ seasonal employees to be members? [An example of a 'temporary' employee is an infrequent substitute teacher.] <i>Complexity: 100 if yes, otherwise 0.</i>	Yes 100	93% Yes 93	77% Yes 77
5%	Q164 Are you sometimes asked by employers to determine the eligibility of members? <i>Complexity: 100 if yes, otherwise 0.</i>	Yes 100	93% Yes 93	89% Yes 89
100%	Weighted Average	41	42	37
	Scaled Complexity Score for Service Credit Rules	59	61	53

## J. Divorce Rules Complexity



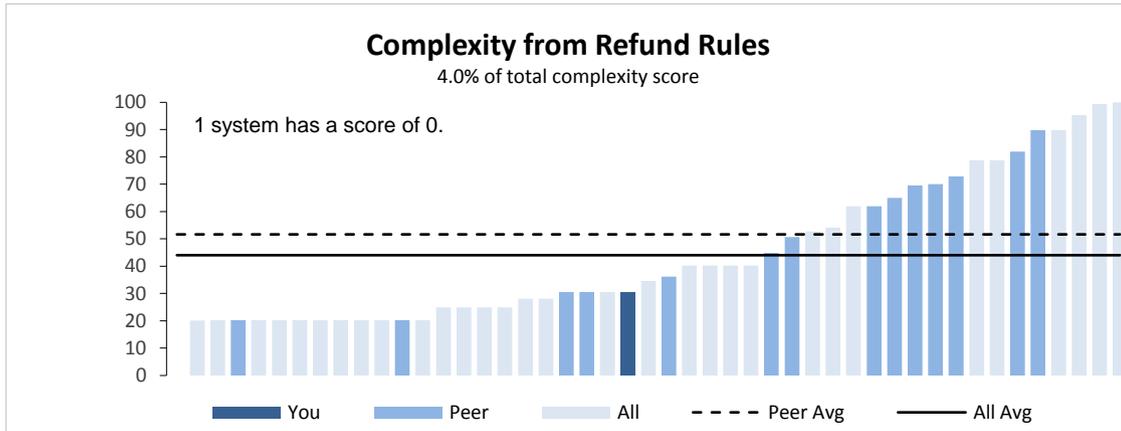
Weight	Relevant Complexity Questions and Scoring	You	Peer Avg	All Avg
100%	<p>Q191 Choose the statement that best describes how divorce settlements for active members (or divorce decrees or QDROS, or QILDROS, or Division of Benefit Orders, etc.) impact your system. If you have different rules for different plans, choose the statement that applies to the largest number of cases.</p> <p>a) Minimal impact. Law prevents you from paying the pension to anybody except the member and the member's specified beneficiaries.</p> <p>b) Minimal impact unless children are involved. With children you may be required to redirect payment.</p> <p>c) A portion of the pension is paid to the ex-spouse, but ONLY when the member begins receiving benefits.</p> <p>d) A portion of the pension is paid to the ex-spouse. The ex-spouse can initiate the pension at a time different than the member provided that eligibility conditions are met.</p> <p>e) Other (describe)</p> <p><i>Complexity: 100 if yes to d, 55 if yes to c or e, 5 if yes to b, otherwise 0.</i></p>	<p>No</p> <p>No</p> <p>No</p> <p>Yes</p> <p>No</p> <p>100</p>	<p>13% Yes</p> <p>0% Yes</p> <p>60% Yes</p> <p>40% Yes</p> <p>13% Yes</p> <p>69</p>	<p>11% Yes</p> <p>0% Yes</p> <p>53% Yes</p> <p>34% Yes</p> <p>15% Yes</p> <p>67</p>
100%	Weighted Average	100	69	67
	Scaled Complexity Score for Divorce Rules	100	69	67

## K. Purchase Rules Complexity



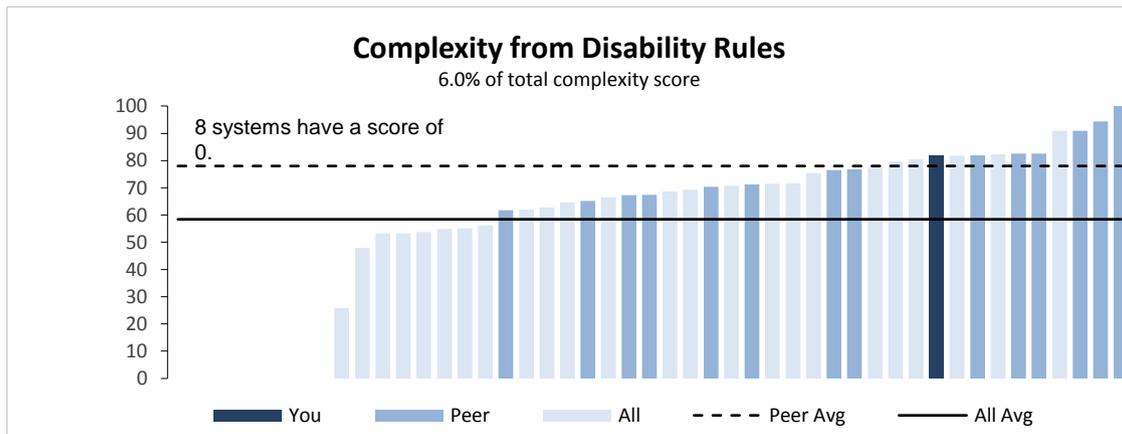
Weight	Relevant Complexity Questions and Scoring	You	Peer Avg	All Avg
25%	<p>Q165 Indicate each of the payment methods you permit for service credit purchases and upgrades:</p> <p>a) Rollover from tax qualified plans such as 401(a) or 401(k) or Conduit IRA or KEOGH in the US; or RRSP plans in Canada?</p> <p>b) Lump sum payments from members?</p> <p>c) Installment payments direct from members?</p> <p>d) Installment payments via payroll deduction through employers?</p> <p><i>Complexity: 10 if rollover + 10 if lump sum direct from member + 40 if installment direct from member + 40 if installment through payroll deduction.</i></p>	<p>Yes</p> <p>Yes</p> <p>No</p> <p>No</p>	<p>100% Yes</p> <p>100% Yes</p> <p>60% Yes</p> <p>60% Yes</p>	<p>100% Yes</p> <p>90% Yes</p> <p>62% Yes</p> <p>55% Yes</p>
		20	68	70
25%	<p>Q166 How many different service credit purchase categories do you have with different definitions and/or eligibility requirements?</p> <p><i>Complexity: 7 X the number of categories (subject to a maximum of 100).</i></p>	7	14	12
		49	79	71
25%	<p>Q167 How many different service credit purchase calculation formula or methodologies do you have?</p> <p><i>Complexity: 15 X the number of formula (subject to a maximum of 100).</i></p>	9	7	6
		100	81	72
25%	<p>Q168 Are your service credit purchase rules (category definitions, eligibility requirements and calculation methodologies):</p> <p>a) Essentially identical for all your members?</p> <p>b) Similar for all member groups, albeit with some differences?</p> <p>c) Very different for different member groups?</p> <p><i>Complexity: 100 if very different for all member groups, 50 if some differences between member groups, otherwise 0.</i></p>	<p>No</p> <p>Yes</p> <p>No</p>	<p>27% Yes</p> <p>60% Yes</p> <p>13% Yes</p>	<p>48% Yes</p> <p>43% Yes</p> <p>13% Yes</p>
		50	43	34
100%	Weighted Average	55	68	62
	Scaled Complexity Score for Purchase Rules	55	68	62

## L. Refund Rules Complexity



Weight	Relevant Complexity Questions and Scoring	You	Peer Avg	All Avg
67%	Q169 Do you pay a one-time death payment when a member, retiree or the retiree's beneficiary dies (separate from the survivor pension)?	No	60% Yes	56% Yes
	a) If yes, how many different one-time death payment rule sets do you have? [i.e., \$5,000, \$2,000 etc.]	n/a	4	4
	<i>Complexity: Scaled measure where the system with the most different rule sets gets 100 and the system with the least gets 0.</i>	0	32	26
33%	Q170 How many different refund formulas do you have?	4	3	2
	<i>Complexity: Scaled measure where the system with the most different refund formulas gets 100 and the system with the least gets 0.</i>	81	74	64
100%	Weighted Average	27	46	39
	Scaled Complexity Score for Refund Rules	31	52	44

## M. Disability Rules Complexity



Weight	Relevant Complexity Questions and Scoring	You	Peer Avg	All Avg
20%	<p>Q29 Do you administer: a) Long-term disability/ disability pensions? <i>Complexity: 100 if you administer, otherwise 0.</i></p>	Yes 100	100% Yes 100	83% Yes 83
10%	<p>Q176 How many different rule sets with different definitions or benefits do you have that apply to member groups or subsets of a member group for: a) Long-term disability/ disability pensions? <i>The Complexity measure scales the responses so that the system with the most rule sets equals 100 and the least equals 0.</i></p>	7 43	9 39	5 28
5%	<p>Q29 Do you administer: b) Short-term disability?</p> <p>Q176 How many different rule sets with different definitions or benefits do you have that apply to member groups or subsets of a member group for: b) Short-term disability (if you administer it yourself)? <i>The Complexity measure scales the responses so that the system with the most rule sets equals 100 and the least equals 0.</i></p>	Yes 2 46	20% Yes 5 13	11% Yes 4 6
10%	<p>Q31 Do you cover non-occupational disability? [Some systems only cover disabilities that happen at work.] a) If yes, does either the amount paid or the taxation of the disability benefit vary depending on whether the disability is occupational versus non-occupational? <i>Complexity: 100 if you have to determine whether or not the disability occurred at work and you have an independent decision process, otherwise 0.</i></p>	Yes No 0	100% Yes 60% Yes 60	100% Yes 44% Yes 36

## M. Disability Rules Complexity

page 2 of 3

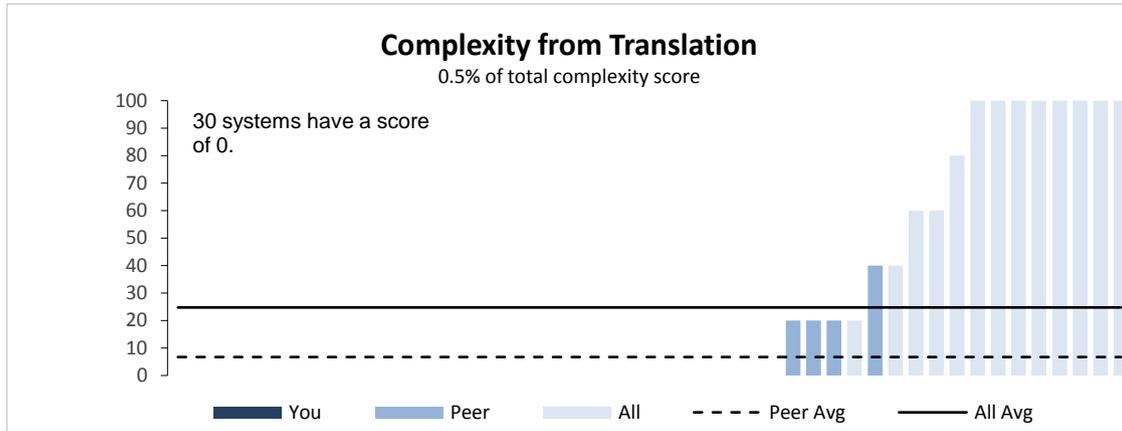
Weight	Relevant Complexity Questions and Scoring	You	Peer Avg	All Avg
10%	<p>Q138 b) Check income of disabled members after they have started receiving disability payments? <i>Complexity: 100 if yes, otherwise 0.</i></p>	Yes 100	87% Yes 87	67% Yes 57
10%	<p>Q172 Will you pay a disabled member that returns to work at a salary lower than he previously earned: a) The difference between his old salary (or his old disability benefit) and his new lower salary? b) An amount that is potentially greater than the difference between his old salary and his new lower salary? <i>Complexity: 100 if yes to b, 80 if yes to a, otherwise 0.</i></p>	No 0	20% Yes 17	16% Yes 13
15%	<p>Q173 How do you determine whether a member qualifies for long-term disability/ disability pension: c) Process independent of social security, worker's compensation and employer decisions? [For example, many systems use independent internal processes or medical review boards or medical consultants.] <i>Complexity: 100 if yes, otherwise 0.</i></p>	Yes 100	100% Yes 100	93% Yes 81
10%	<p>Q174 Which of the following descriptions best describes the MINIMUM level of disability necessary to be eligible for a long-term disability/ disability pension: [If you have different plans with different definitions, choose the definition that applies to the largest number of cases.] a) Disabling injury or illness that prevents you from performing your current job duties (even though you might be able to perform other jobs) and expected to be permanent (or for some systems - persist longer than 6 or 12 months)? b) Disabling injury or illness that prevents the member from performing current and 'other' jobs that he/she is qualified for and/or can become qualified to do in a reasonable period of time and expected to be permanent (or for some systems - persist longer than 6 or 12 months)? [Sometimes but not always the 'other job' is defined as not able to earn a certain level (i.e., 75%) of pre-disability earnings.] c) Totally and permanently incapacitated and member is not reasonably expected to recover from disabling medical condition or not expected to ever work again? d) Other (describe)? <i>Complexity: If your decision process is independent (i.e., yes to c), then 100 if yes to b, 90 if yes to a, 50 if yes to c, 25 if yes to d, otherwise 0.</i></p>	No No No	47% Yes 27% Yes 13% Yes	59% Yes 15% Yes 26% Yes 10% Yes

## M. Disability Rules Complexity

page 3 of 3

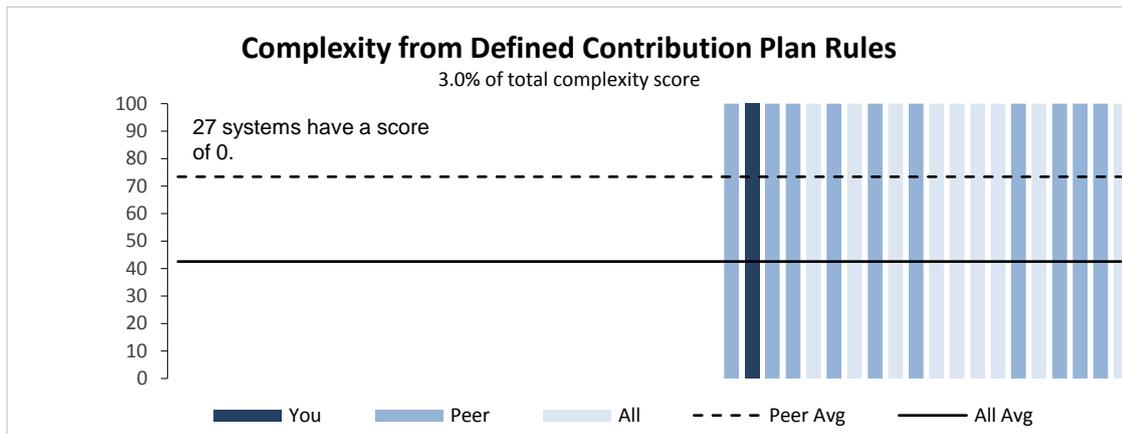
Weight	Relevant Complexity Questions and Scoring	You	Peer Avg	All Avg
5%	<p>Q175 If you administer short-term disability:</p> <p>a) Are the short-term and long-term disability/ disability pension processes closely entwined? [i.e., difficult to distinguish between costs of long-term/disability pensions and short term disability, same staff do both, similar approval processes]</p> <p>b) Are the disability definitions, other than the expected duration of disability, the same for both long-term and short-term disability? [For example, the only difference between the definition of long-term/ disability pensions and short-term disability at some systems is the disabling injury or illness is expected to last longer than 12 months for long-term.]</p> <p>c) Are there materially different approval processes for short-term and long-term disability/ disability pensions?</p> <p><i>Complexity: 100 if different definitions and approval processes (i.e., no to b and yes to c), 75 if approval processes or definitions are very different (either no to b or yes to c), otherwise 0.</i></p>	No	60% Yes	71% Yes
		No	20% Yes	29% Yes
		Yes	60% Yes	43% Yes
		100	20	8
5%	<p>Q177 Do you reduce payments if the member qualifies or receives:</p> <p>a) Disability social security?</p> <p>b) Worker's compensation?</p> <p>c) Other public funds (e.g. federal military disability)?</p> <p>d) Income protection plans/other disability insurance?</p> <p>e) Employer sick leave and annual leave pay?</p> <p>f) Unemployment compensation?</p> <p>g) Income from other employment?</p> <p>h) Other (describe)?</p> <p>Total yes responses for disability coordination</p> <p><i>The Complexity measure scales the responses so that the system with the most yes responses equals 100 and the least equals 0.</i></p>	Yes	47% Yes	30% Yes
		Yes	73% Yes	50% Yes
		No	20% Yes	10% Yes
		Yes	27% Yes	10% Yes
		Yes	40% Yes	18% Yes
		Yes	33% Yes	15% Yes
		Yes	67% Yes	40% Yes
		<u>Yes</u>	<u>33% Yes</u>	<u>20% Yes</u>
		7	3	n/a
		100	63	37
100%	Weighted Average	72	68	51
	Scaled Complexity Score for Disability Rules	82	78	58

## N. Translation Complexity



Weight	Relevant Complexity Questions and Scoring	You	Peer Avg	All Avg
100%	<p>Q99 Do you publish any of the following materials in a language other than English (or other than French in Quebec and France), or in Braille:</p> <p>a) Member statements?</p> <p>b) Annual report?</p> <p>c) Newsletters?</p> <p>d) Website?</p> <p>e) Brochures and pamphlets?</p> <p><i>Complexity: 100 if you translate all 5 of the above materials, 80 if 4, 60 if 3, 40 if 2, 20 if 1, otherwise 0.</i></p>	<p>No 0% Yes 19%</p> <p>No 0% Yes 30%</p> <p>No 0% Yes 20%</p> <p>No 13% Yes 30%</p> <p>No 20% Yes 35%</p> <p>0 7 25</p>		
100%	<p>Weighted Average</p> <p>Scaled Complexity Score for Translation</p>	<p>0 7 25</p> <p>0 7 25</p>		

## O. Defined Contribution Plan Rules Complexity



Weight	Relevant Complexity Questions and Scoring	You	Peer Avg	All Avg
100%	<p>Q129 Which of the following descriptions best describes the non-optional benefit plans that you administer for each of your member groups:</p> <p>f) Defined Contribution ("DC")?</p> <p>g) Hybrid DB/ DC?</p> <p><i>Complexity: 100 if yes to f or g, otherwise 0.</i></p>	<p>No 100</p> <p>Yes 100</p>	<p>20% Yes 73</p> <p>73% Yes 73</p>	<p>17% Yes 43</p> <p>28% Yes 43</p>
100%	Weighted Average	100	73	43
	Scaled Complexity Score for Defined Contribution Plan Rules	100	73	43

## IT and Major Projects

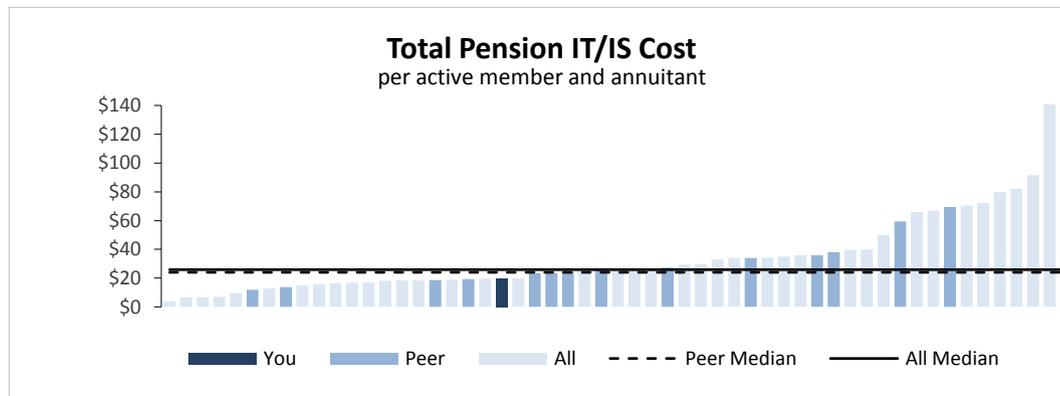
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This section contains comparisons to your peers and all participants of:

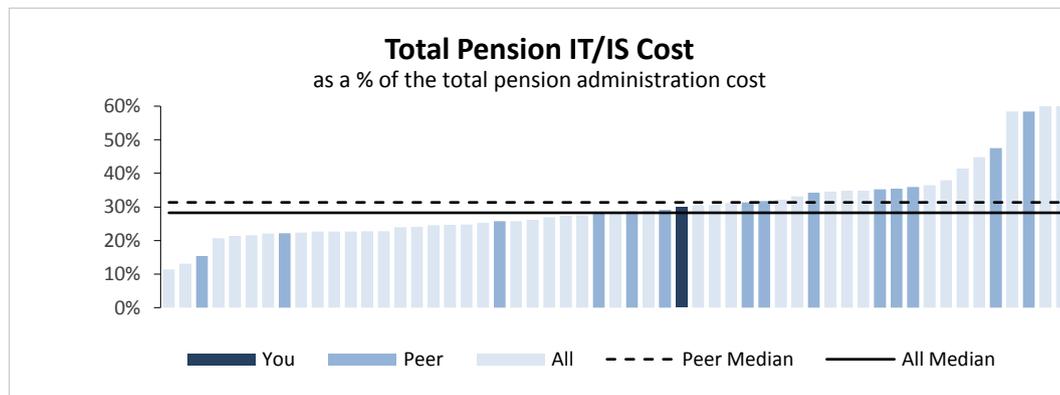
- Total IT/IS costs
- Indicators of CRM (Customer Relationship Management) capability
- Attributions of IT/IS and Major Projects to the other administration activities

## IT/IS costs

Your IT/IS cost was \$19.78 per active member and annuitant. This was below the peer median of \$24.07.



Your IT/IS cost as a percent of total pension administration cost was 30%. This was below the peer median of 31%.

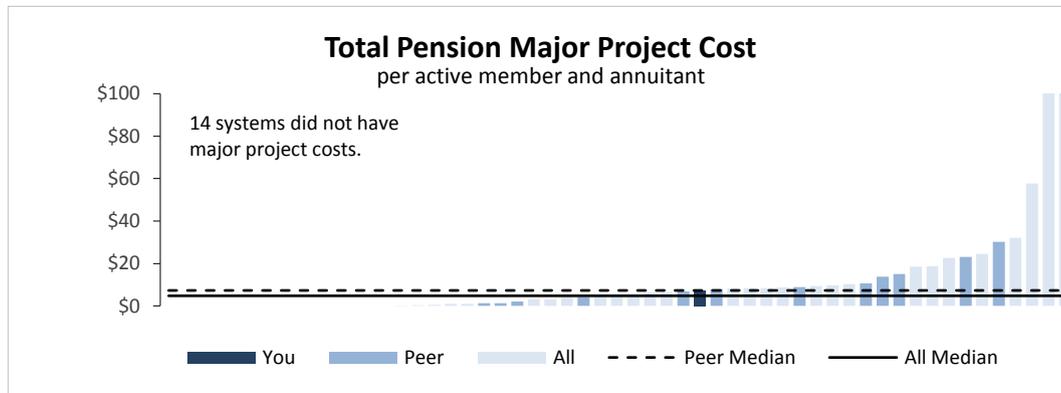


IT/IS Cost by Category									
Activity	Cost in\$000	Cost per Active Member and Annuitant					Cost as a % of Total IT/IS Cost		
		You	Peer Median	Peer Avg	All Median	All Avg	You	Peer Avg	All Avg
5c. Amortization of IT Major Projects	106	0.24	0.24	2.28	0.00	5.86	1%	7%	15%
5d. IT Major Projects (if you don't capitalize)	1,383	3.17	1.40	4.86	1.04	7.54	12%	15%	19%
6a. IT Strategy, Database Management and Applications (excl. major projects)	5,595	12.81	13.03	15.13	13.38	17.49	50%	47%	45%
6b. IT Desktop, Networks, Telecom	1,557	3.56	6.64	7.38	5.46	6.97	14%	23%	18%
<b>Total Pension IT/IS cost (excludes below)</b>	<b>8,641</b>	<b>19.78</b>	<b>24.07</b>	<b>29.65</b>	<b>25.87</b>	<b>37.86</b>	<b>77%</b>	<b>93%</b>	<b>97%</b>
IT/IS Attributions to: <sup>1</sup>									
1f. Healthcare Administration	2,323	5.32	0.37	1.61	0.00	0.70	21%	5%	2%
1g. Optional and Third Party Administered Benefits	260	0.60	0.53	0.63	0.00	0.30	2%	2%	1%
<b>Total Administration IT/IS cost</b>	<b>11,224</b>	<b>25.69</b>	<b>25.69</b>	<b>31.89</b>	<b>25.87</b>	<b>38.87</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

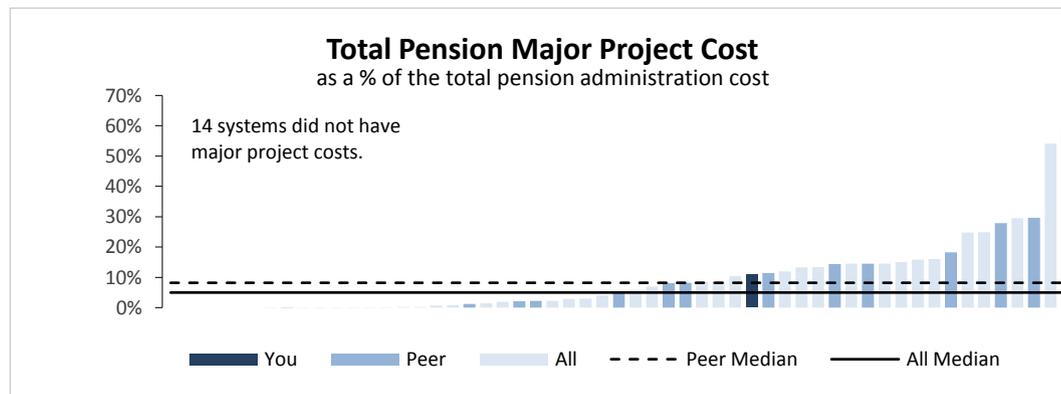
1. Attributions of total administration IT/IS to non-pension activities 1f and 1g includes: (i) pro-rata share of Major Project attribution (5a - 5d) weighted by activity 5c and 5d's contribution to total Major Project cost; (ii) total attribution of activity 6a to 1f and 1g; (iii) pro-rata share of optional attribution (6b, 7a - 7f) to activities 1f and 1g weighted by activity 6b's contribution to total attribution. See section 4 - 'Activity Costs' for details.

## Major project costs

Your major project cost was \$7.31 per active member and annuitant. This was equal to the peer median.



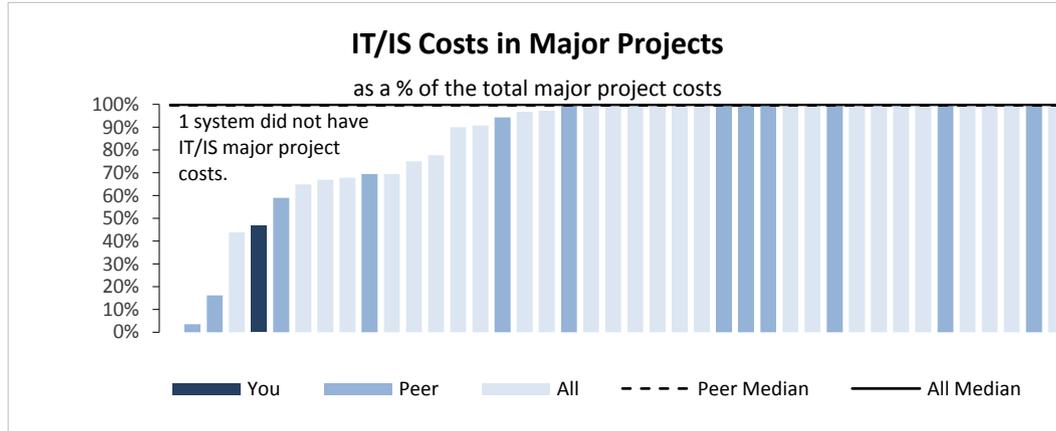
Your major project cost as a percent of total cost was 11%. This was above the peer median of 8%.



Major Project Cost by Category									
Activity	Cost	Cost per Active Member and Annuitant					Cost as a % of Total Major Project Cost		
	in\$000	Peer		Peer	All		Peer		
	You	You	Median	Avg	Median	All Avg	You	Avg	All Avg
5a. Amortization of non-IT Major Projects	0	0.00	0.00	0.04	0.00	0.05	0%	0%	0%
5b. Non-IT Major Projects (if you don't capitalize)	1,703	3.90	0.00	1.65	0.00	1.17	40%	18%	8%
5c. Amortization of IT Major Projects	106	0.24	0.24	2.28	0.00	5.86	2%	24%	40%
5d. IT Major Projects (if you don't capitalize)	1,383	3.17	1.40	4.86	1.04	7.54	33%	52%	50%
<b>Total Pension Major Project cost (excludes below)</b>	<b>3,192</b>	<b>7.31</b>	<b>7.31</b>	<b>8.84</b>	<b>4.80</b>	<b>14.62</b>	<b>75%</b>	<b>94%</b>	<b>98%</b>
Major Project Attributions to:									
1f. Healthcare Administration	1,059	2.43	0.00	0.37	0.00	0.11	25%	4%	1%
1g. Optional and Third Party Administered Benefits	0	0.00	0.00	0.18	0.00	0.10	0%	2%	1%
<b>Total Administration Major Project cost</b>	<b>4,252</b>	<b>9.73</b>	<b>9.26</b>	<b>9.40</b>	<b>4.99</b>	<b>14.83</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

## IT/IS cost included in major project costs

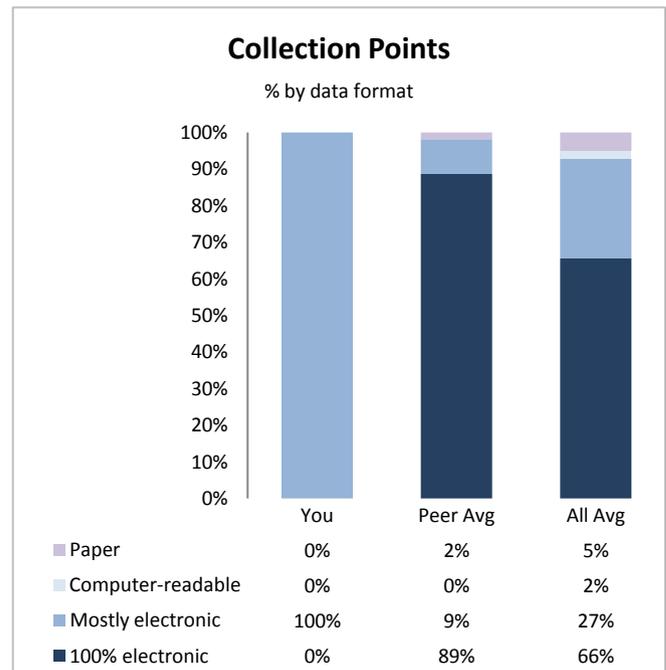
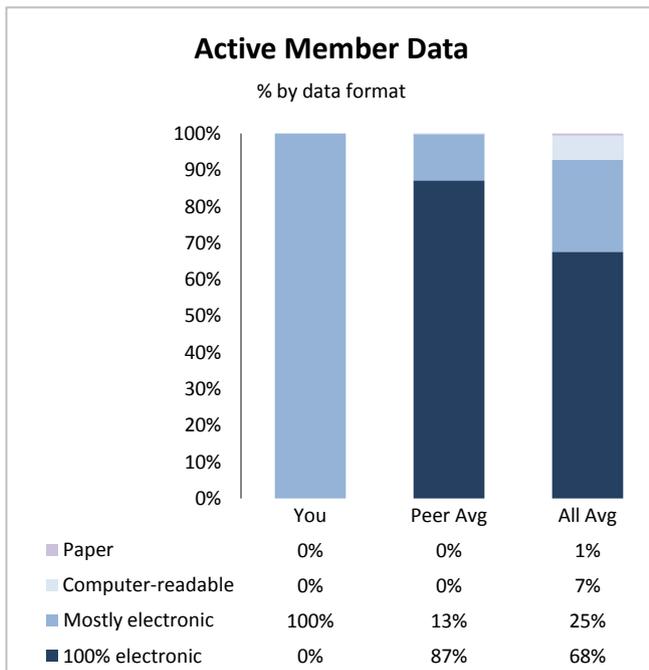
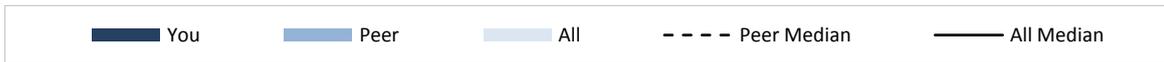
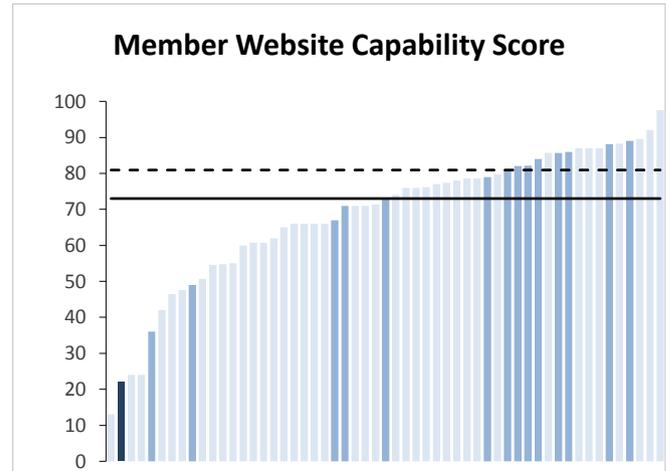
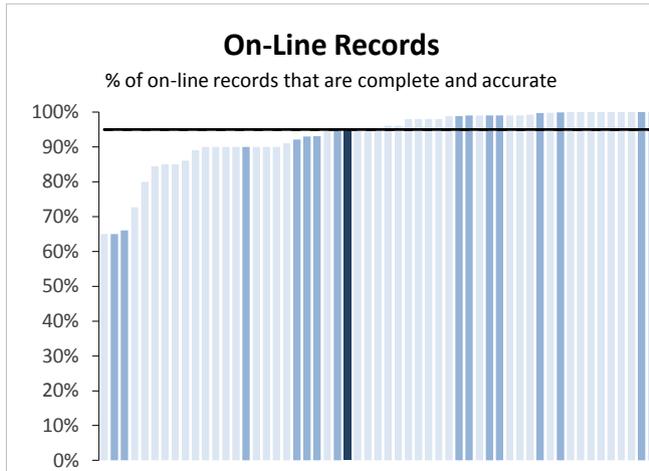
Your IT/IS major project costs as a percent of total major project costs was 47%. This was below the peer median of 100%.



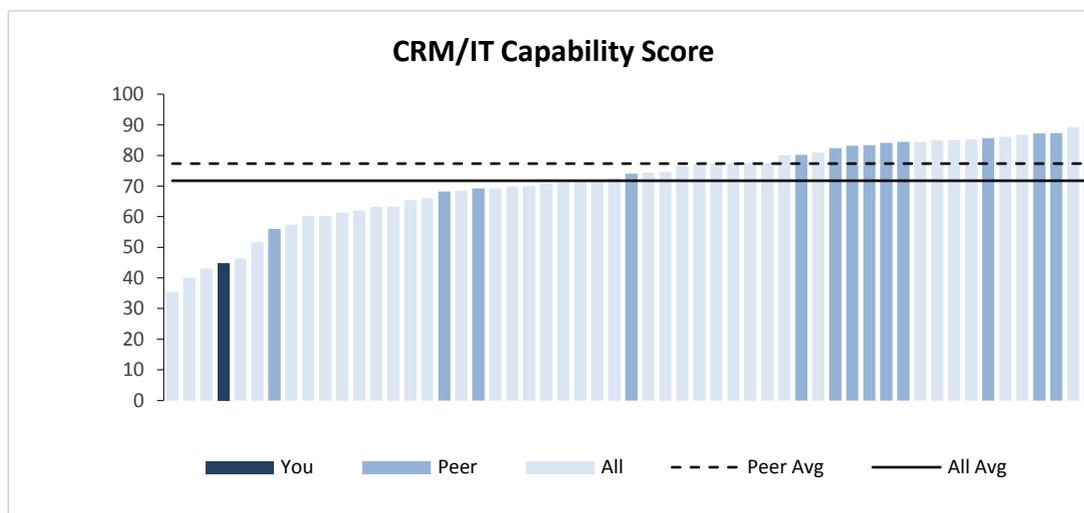
## IT and major project attributions by activity

Activity	6a. IT Strategy, Database Management and Applications (excl. major projects)						Total Major Projects (5a. through 5d.)					
	<u>\$s per Active Member and Annuitant</u>			<u>As a % of total</u>			<u>\$s per Active Member and Annuitant</u>			<u>As a % of total</u>		
	Peer	All		Peer	All		Peer	All		Peer	All	
	You	Avg	Avg	You	Avg	Avg	You	Avg	Avg	You	Avg	Avg
1. Member Transactions												
a. Pension Payments	3.87	1.14	1.47	30%	8%	9%	2.21	0.57	2.64	30%	7%	11%
b. Pension Inceptions	4.47	2.61	2.38	35%	16%	14%	2.55	1.94	2.05	35%	20%	16%
c. Withdrawals and Transfers-out	1.70	0.92	1.20	13%	7%	7%	0.97	0.48	1.01	13%	5%	7%
d. Purchases and Transfers-in	0.30	0.60	1.15	2%	4%	6%	0.17	0.30	2.20	2%	5%	7%
e. Disability	<u>2.47</u>	<u>0.73</u>	<u>0.52</u>	<u>19%</u>	<u>5%</u>	<u>4%</u>	<u>1.41</u>	<u>0.44</u>	<u>0.23</u>	<u>19%</u>	<u>8%</u>	<u>4%</u>
	12.81	6.00	6.73	100%	40%	39%	7.31	3.73	8.14	100%	44%	46%
2. Member Communication												
a. Call Center	0.00	1.69	1.73	0%	11%	10%	0.00	1.01	0.87	0%	11%	8%
b. Mail Room, Imaging	0.00	0.64	0.72	0%	4%	5%	0.00	0.27	0.35	0%	4%	6%
c. 1-on-1 Counseling	0.00	0.52	0.43	0%	3%	3%	0.00	0.26	0.30	0%	2%	2%
d. Presentations and Group Counseling	0.00	0.33	0.25	0%	2%	1%	0.00	0.18	0.11	0%	3%	1%
e. Written Pension Estimates	0.00	0.43	0.51	0%	3%	4%	0.00	0.21	0.44	0%	3%	3%
f. Mass Communication	<u>0.00</u>	<u>0.99</u>	<u>0.93</u>	<u>0%</u>	<u>7%</u>	<u>6%</u>	<u>0.00</u>	<u>0.40</u>	<u>0.49</u>	<u>0%</u>	<u>5%</u>	<u>4%</u>
	0.00	4.60	4.57	0%	30%	28%	0.00	2.34	2.55	0%	27%	24%
3. Collections and Data Maintenance												
a. Data and Money from Employers	0.00	1.78	2.40	0%	11%	13%	0.00	1.35	1.60	0%	16%	12%
b. Service to Employers	0.00	0.83	0.84	0%	5%	5%	0.00	0.55	0.36	0%	5%	4%
c. Data Not from Employers	<u>0.00</u>	<u>0.66</u>	<u>1.12</u>	<u>0%</u>	<u>5%</u>	<u>5%</u>	<u>0.00</u>	<u>0.31</u>	<u>0.45</u>	<u>0%</u>	<u>3%</u>	<u>3%</u>
	0.00	3.26	4.37	0%	21%	23%	0.00	2.21	2.41	0%	24%	20%
4. Governance and Financial Control												
a. Financial Administration and Control	0.00	0.64	1.09	0%	4%	6%	0.00	0.45	0.97	0%	4%	4%
b. Board, Strategy, Policy	0.00	0.39	0.54	0%	2%	3%	0.00	0.06	0.27	0%	0%	1%
c. Government and Public Relations	<u>0.00</u>	<u>0.36</u>	<u>0.25</u>	<u>0%</u>	<u>2%</u>	<u>2%</u>	<u>0.00</u>	<u>0.06</u>	<u>0.15</u>	<u>0%</u>	<u>0%</u>	<u>1%</u>
	0.00	1.39	1.88	0%	8%	10%	0.00	0.57	1.39	0%	4%	6%
Total Pension Administration	12.81	15.26	17.55	100%	100%	100%	7.31	8.85	14.49	100%	100%	100%

# Key measures of CRM/IT capability



Your CRM/IT Capability score was 45 out of 100. This was below the peer average of 77.



### Calculation of your CRM/IT capability score

Weight	Relevant Questions and Scoring	You	Peer Avg	All Avg
	<u>CRM/ Call Capability</u>			
	Q45 When a member calls in, do you have immediate computer access to the following member data:			
	a) Record of the member's previous calls to the system?	Yes	80% Yes	80% Yes
	b) Copies of recent correspondence online?	Yes	100% Yes	95% Yes
	c) Knowledge based online help system available for use by the service representative?	Yes	87% Yes	85% Yes
15%	Score: 100 if all available, otherwise 33.3 for each yes	100	89	87
	Q45 When a member calls in, do you have immediate computer access to the following member data:			
	d) Most recent member statement?	Yes	100% Yes	100% Yes
	e) Beneficiary information?	Yes	100% Yes	98% Yes
4%	Score: 100 if all available, otherwise 11.1 for each yes	100	100	99

## CRM/IT capability score

page 2 of 3

Weight	Relevant Questions and Scoring	You	Peer Avg	All Avg
10%	<p>Q47 Can and will you provide the following information on an immediate real-time basis to members over the phone? [If you do not have real-time access to the information or if your policy is not to give the information over the phone because of security or other concerns then your answer should be 'no'.]</p> <p>a) Estimates of the member's pension at retirement?</p> <p>a1) If yes, can you easily model and provide alternate annuity payment scenarios? [i.e., joint and 50% survivor, joint and 70% survivor, etc.]</p> <p>a2) If yes, is the estimate based on an interactive benefit calculator linked to the member's actual account data?</p> <p><i>Score: 20 if yes to a1, 80 if yes to a2, otherwise 0</i></p>	No n/a n/a 0	73% Yes 73% Yes 73% Yes 73	62% Yes 56% Yes 58% Yes 58
5%	<p>Q50 Do you have and use tools to help you project call volumes?</p> <p><i>Score: 100 if yes, otherwise 0</i></p>	No 0	93% Yes 93	82% Yes 82
5%	<p>Q36 c) Incoming calls satisfied by self-serve options, if any?</p> <p><i>Score: 100 if yes, otherwise 0</i></p>	Yes 100	73% Yes 73	36% Yes 36
	<p><u>Document Imaging</u></p>			
5%	<p>Q55 Do you use imaging technology?</p> <p>a) Do you keep images of ALL incoming member correspondence and submitted forms?</p> <p>c) Have all historical documents also been imaged?</p> <p><i>Score: 60 if you use imaging, 20 if you keep images of all incoming correspondence and forms, 20 if all historical documents are imaged</i></p>	Yes Yes Yes 100	100% Yes 100% Yes 67% Yes 93	96% Yes 96% Yes 68% Yes 89
	<p><u>Data Collection</u></p>			
5%	<p>Q107 What is the breakdown of 'collection points' providing you with payroll data between the following formats and what is the total number of active members covered by each format?</p> <p>a) 100% electronic</p> <p>b) Mostly electronic</p> <p>c) Computer-readable</p> <p>d) Paper</p> <p><i>Score: 100 X % of data collected 100% electronically, + 90 X % of data collected mostly electronically, + 80 X % of data collected via computer readable, otherwise 0</i></p>	0% 100% 0% 0% 90	87% 13% 0% 0% 99	68% 25% 7% 1% 96

## CRM/IT capability score

page 3 of 3

Weight	Relevant Questions and Scoring	You	Peer Avg	All Avg
	<u>Online Data Quality</u>			
5%	Q109 What % of your active and inactive member online records are complete and accurate? <i>Score: 100 X % of online records that are complete and accurate</i>	95% 95	92% 92	93% 93
	<u>Diagnostic Software</u>			
5%	Q111 Do you have a diagnostic software system for detecting and correcting contribution errors? <i>Score: 100 if yes, otherwise 0</i>	No 0	93% Yes 93	87% Yes 87
	<u>Integration</u>			
5%	Q112 When you get an address change, how many systems do you need to update? <i>Score: 100 if 1, otherwise 0</i>	6 0	2 80	1 87
	<u>Website</u>			
30%	Member website capability score [Refer to section 7 Service Levels: Mass communication - website for details.]	22	72	68
94%	Total CRM/ IT Capability Score - Average	45	77	72
	Total CRM/ IT Capability Score- Median	45	83	74

## Appendices

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### Appendix A - Survey responses

- Member status changes
- Costs and FTE by activity
- Service and plan design

### Appendix B - Foreign currency conversion

### Appendix C - Activity definitions

### Appendix D - Service model changes

### Appendix E - Defaults

## Appendix A - Survey responses: Member status changes

Wisconsin DETF

5. Complete the 'colored boxes' in the table below. Enter all values as positive numbers. Enter 0 if not applicable.

Changes in Member Status						
	2014			2013		
	Active Members	Inactive Members	Annuitants (Service, Disabled, Survivor)	Active Members	Inactive Members	Annuitants (Service, Disabled, Survivor)
<b>Total members</b>						
a. Members at end of fiscal year 2013	256,833	152,951	173,655	257,254	155,017	167,453
b. Members at end of fiscal year 2014	256,788	157,761	180,056	256,833	152,951	173,655
Increase/-decrease to be explained	-45	4,810	6,401	-421	-2,066	6,202
<b>Decreases</b>						
c. Full withdrawals/refunds/commuted value payments	1,300	2,578		1,681	3,838	
d. Transfers-out to external pension systems	0	0		0	0	
e. Annuity inceptions: service retirement	6,417	3,472		7,233	1,737	
f. Annuity inceptions: disability retirement	110	36		139	13	
g. Active members leaving to inactive status	14,564			10,077		
h. Re-hired inactives and annuitants (if annuity stops)		3,063	27		2,932	33
i. Deaths	153	509	3,677	290	177	2,983
j. Non-death stops of pensions (i.e., dependent no longer)			0			52
k. Other decreases.	366	96	0	0	3,350	0
<b>Increases</b>						
l. New active members	19,108			16,034		
m. Annuity inceptions: survivor, partner, ex-partner,			70			96
n. Annuity inceptions: service retirement			9,889			8,970
o. Annuity inceptions: disability retirement			146			152
p. Active members leaving to inactive status		14,564			10,077	
q. Re-hired inactives and annuitants (if annuity stops)	3,090			2,965		
r. Other increases.	0	0	0	0	0	0
Explained increases/-decreases	-712	4,810	6,401	-421	-1,970	6,150
Unexplained increases/-decreases	667	0	0	0	-96	52

## Appendix A - Survey responses: Cost and FTE by activity

Wisconsin DETF

	Your Response		
	2014	2013	
6. Complete the table below:			
a. Total administrative expenses per your financial statements (CAFR in the U.S.)	<u>35,167.0</u>	<u>30,077.4</u>	(\$000s)
Less (if included in administrative expenses):			
b. Investment administration costs	<u>0.0</u>	<u>0.0</u>	(\$000s)
Plus, if not included in administrative expenses:			
c. Amortization and depreciation of administrative assets	<u>141.4</u>	<u>141.4</u>	(\$000s)
d. Actuarial fees and costs (excluding fees for investment performance measurement)	<u>0.0</u>	<u>0.0</u>	(\$000s)
e. Other costs and professional fees relating to pension administration	<u>0.0</u>	<u>0.0</u>	(\$000s)
f. Total benefit administration costs (to be attributed in question 9 below)	<u><u>35,308.4</u></u>	<u><u>30,218.8</u></u>	(\$000s)
7. Did you capitalize any administration costs last year?			
	<u>Yes</u>	<u>Yes</u>	yes/ no
If yes:			
a. Total amount capitalized?	<u>409.3</u>	<u>796.4</u>	\$000s
b. Salaries and benefits of staff, if any, included in the amount capitalized?	<u>0.0</u>	<u>162.9</u>	\$000s
c. Full-time-equivalent (FTE) of staff that pertain to the salaries being capitalized?	<u>0.0</u>	<u>1.6</u>	# FTE
d. Information technology costs included in the amount capitalized?	<u>0.0</u>	<u>630.5</u>	\$000s

## Appendix A - Survey responses: Cost and FTE by activity - 2014

Wisconsin DETF

9. Complete the table below. Instructions and definitions are provided on the pages below the table.

Activity	Direct full time equivalents (# FTE)	Direct Costs			Attributions		Optional Attributions <sup>1</sup> 6b + 7a-g (\$000s)	Total Attrib. (\$000s)
		Salaries and Benefits (\$000s)	Third Party and Other Direct (\$000s)	Total (\$000s)	5a-d Major Projects (\$000s)	6a IT Strategy, DB Mgmt Applications (\$000s)		
<b>1. Member Transactions</b>								
a. Pension Payments	14.0	991.6	344.6	1,336.2	963.8	1,689.3	0.0	2,653.1
b. Pension Inceptions	16.3	1,042.3	19.1	1,061.4	1,114.1	1,952.9	0.0	3,067.0
c. Withdrawals and Transfers-out	6.1	423.8	7.2	431.0	423.8	742.8	0.0	1,166.6
d. Purchases and Transfers-in	1.1	81.9	1.2	83.1	75.2	131.8	0.0	207.0
e. Disability	9.0	744.0	114.6	858.6	615.2	1,078.3	0.0	1,693.4
f. Healthcare Administration	15.6	1,047.9	363.0	1,410.9	1,059.5	1,857.0	0.0	2,916.5
g. Optional and Third Party Administered Benefits	8.7	696.9	142.7	839.6	0.0	0.0	0.0	0.0
<b>2. Member Communication</b>								
a. Call Center	24.9	1,555.8	34.0	1,589.8	0.0	0.0	0.0	0.0
b. Mail Room, Imaging	18.1	927.2	374.9	1,302.1	0.0	0.0	0.0	0.0
c. 1-on-1 Counseling	11.3	779.5	18.8	798.3	0.0	0.0	0.0	0.0
d. Presentations and Group Counseling	7.6	526.2	13.5	539.7	0.0	0.0	0.0	0.0
e. Written Pension Estimates	19.2	1,331.7	32.1	1,363.8	0.0	0.0	0.0	0.0
f. Mass Communication	11.0	849.2	528.5	1,377.7	0.0	0.0	0.0	0.0
<b>3. Collections and Data Maintenance</b>								
a. Data and Money from Employers	15.7	1,057.0	24.5	1,081.5	0.0	0.0	0.0	0.0
b. Service to Employers	6.3	403.2	12.9	416.1	0.0	0.0	0.0	0.0
c. Data Not from Employers	2.6	181.2	2.7	183.9	0.0	0.0	0.0	0.0
<b>4. Governance and Financial Control</b>								
a. Financial Administration and Control	9.5	738.8	85.3	824.1	0.0	0.0	0.0	0.0
b. Board, Strategy, Policy	7.8	604.7	207.3	812.0	0.0	0.0	0.0	0.0
c. Government and Public Relations	2.7	316.3	81.2	397.5	0.0	0.0	0.0	0.0
<b>5. Major Projects</b>								
a. Amortization of non-IT Major Projects	n/a	n/a	0.0	0.0				
b. Non-IT Major Projects (if you don't capitalize)	17.4	838.7	1,429.6	2,268.3				
c. Amortization of IT Major Projects	n/a	n/a	141.4	141.4				
d. IT Major Projects (if you don't capitalize)	10.1	791.0	1,050.8	1,841.8				
<b>6. Information Technology</b>								
a. IT Strategy, Database Management and Applications (excl. major projects)	38.5	2,340.8	5,111.3	7,452.1				
b. IT Desktop, Networks, Telecom	10.2	770.1	1,018.8	1,788.9				
<b>7. Support Services and Other</b>								
a. Building and Utilities	1.7	104.1	1,636.6	1,740.7				
b. Human Resources	8.2	517.3	313.8	831.1				
c. Actuarial	0.0	0.0	500.8	500.8				
d. Legal and Rule Interpretation	10.5	890.5	221.0	1,111.5				
e. Internal and External Audit	3.0	398.4	309.3	707.7				
f. Pay-as-you-go Benefits for Retired Staff	n/a	0.0	n/a	0.0				
g. Other Support Services	2.5	153.3	63.6	216.9				
<b>Total Administration (includes 1f, 1g)</b>	<b>309.6</b>	<b>21,103.4</b>	<b>14,205.1</b>	<b>35,308.5</b>	<b>4,251.5</b>	<b>7,452.1</b>	<b>0.0</b>	<b>11,703.6</b>

1. CEM automatically attributed your costs for activities 6b plus 7a-g, unless you did these attributions yourself.

## Appendix A - Survey responses: Cost and FTE by activity - 2014

continued

Describe and provide the cost of:

Each of your major projects in 5b. 'Non-IT Major Projects' (if you don't capitalize)	(\$000s)
<u>DETF's Multiyear Transformation Integration Modernization Project (TIM)</u>	<u>2,268.30</u>
The amortization for each of your capitalized projects in 5c. 'Amortization of IT Major Projects'	(\$000s)
<u>LSPS application capitalized in 2010</u>	<u>101.70</u>
<u>Accumulated Sick Leave application capitalized in 2012</u>	<u>39.70</u>
Each of your major projects in 5d. 'IT Major Projects (if you don't capitalize)	(\$000s)
<u>On going data integrity project</u>	<u>131.60</u>
<u>Preliminary Benefit Administrative System</u>	<u>1,710.20</u>

## Appendix A - Survey responses: Cost and FTE by activity - 2013

Wisconsin DETF

9. Complete the table below. Instructions and definitions are provided on the pages below the table.

Activity	Direct full time equivalents (# FTE)	Direct Costs			Attributions		Optional Attributions <sup>1</sup> 6b + 7a-g	Total Attrib. (\$000s)
		Salaries and Benefits (\$000s)	Third Party and Other Direct (\$000s)	Total (\$000s)	5a-d Major Projects (\$000s)	6a IT Strategy, DB Mgmt Applications (\$000s)		
<b>1. Member Transactions</b>								
a. Pension Payments	11.8	834.1	353.3	1,187.4	505.9	1,551.1	0.0	2,057.0
b. Pension Inceptions	14.2	928.9	62.8	991.7	608.8	1,866.6	0.0	2,475.4
c. Withdrawals and Transfers-out	4.6	306.6	23.8	330.4	197.2	604.7	0.0	801.9
d. Purchases and Transfers-in	1.6	123.7	14.0	137.7	68.6	210.3	0.0	278.9
e. Disability	8.7	678.6	68.5	747.1	373.0	1,143.6	0.0	1,516.6
f. Healthcare Administration	11.7	904.4	106.5	1,010.9	501.7	1,538.0	0.0	2,039.7
g. Optional and Third Party	7.4	596.2	68.1	664.3	0.0	0.0	0.0	0.0
<b>2. Member Communication</b>								
a. Call Center	24.4	1,547.9	181.7	1,729.6	0.0	0.0	0.0	0.0
b. Mail Room, Imaging	13.9	786.6	335.0	1,121.6	0.0	0.0	0.0	0.0
c. 1-on-1 Counseling	10.5	729.1	50.9	780.0	0.0	0.0	0.0	0.0
d. Presentations and Group Counseling	7.1	492.1	34.6	526.7	0.0	0.0	0.0	0.0
e. Written Pension Estimates	18.4	1,275.9	89.1	1,365.0	0.0	0.0	0.0	0.0
f. Mass Communication	7.6	596.6	364.4	961.0	0.0	0.0	0.0	0.0
<b>3. Collections and Data Maintenance</b>								
a. Data and Money from Employers	11.3	773.6	85.7	859.3	0.0	0.0	0.0	0.0
b. Service to Employers	4.3	289.5	34.9	324.4	0.0	0.0	0.0	0.0
c. Data Not from Employers	2.1	136.8	13.7	150.5	0.0	0.0	0.0	0.0
<b>4. Governance and Financial Control</b>								
a. Financial Administration and Control	10.5	815.2	104.3	919.5	0.0	0.0	0.0	0.0
b. Board, Strategy, Policy	8.0	715.2	144.7	859.9	0.0	0.0	0.0	0.0
c. Government and Public Relations	5.5	548.9	396.8	945.7	0.0	0.0	0.0	0.0
<b>5. Major Projects</b>								
a. Amortization of non-IT Major Projects	n/a	n/a	0.0	0.0				
b. Non-IT Major Projects (if you don't capitalize)	10.3	737.0	1,033.0	1,770.0				
c. Amortization of IT Major Projects	n/a	n/a	141.4	141.4				
d. IT Major Projects (if you don't capitalize)	0.8	67.1	88.2	155.3				
<b>6. Information Technology</b>								
a. IT Strategy, Database Management and Applications (excl. major projects)	36.7	2,974.8	3,939.5	6,914.3				
b. IT Desktop, Networks, Telecom	5.4	443.1	575.5	1,018.6				
<b>7. Support Services and Other</b>								
a. Building and Utilities	1.2	87.9	1,574.5	1,662.4				
b. Human Resources	5.2	371.9	105.8	477.7				
c. Actuarial	0.0	0.0	200.0	200.0				
d. Legal and Rule Interpretation	10.2	883.4	193.0	1,076.4				
e. Internal and External Audit	4.1	425.0	282.9	707.9				
f. Pay-as-you-go Benefits for Retired Staff	n/a	0.0	n/a	0.0				
g. Other Support Services	2.2	143.1	38.4	181.5				
<b>Total Administration (includes 1f, 1g)</b>	<b>259.7</b>	<b>19,213.2</b>	<b>10,705.0</b>	<b>29,918.2</b>	<b>2,255.2</b>	<b>6,914.3</b>	<b>0.0</b>	<b>9,169.5</b>

1. CEM automatically attributed your costs for activities 6b plus 7a-g, unless you did these attributions yourself.

## Appendix A - Survey responses: Cost and FTE by activity - 2013

continued

Describe and provide the cost of:

Each of your major projects in 5b. 'Non-IT Major Projects' (if you don't capitalize) DETF's Multiyear Transformation Integration Modernization Project (TIM)	(\$000s) 1,958.60
The amortization for each of your capitalized projects in 5c. 'Amortization of IT Major Projects' LSPS application capitalized in 2010	(\$000s) 101.70
Acummulated Sick Leave application capitalized in 2012	39.70
Each of your major projects in 5d. 'IT Major Projects (if you don't capitalize) On going data integrity project	(\$000s) 155.30

# Appendix A - Survey responses: Service and plan design

Wisconsin DETF

Survey Question	Your Response			Peers 2014					All Participants 2014				
	2014	2013	2012	Max	Med	Min	Avg	#	Max	Med	Min	Avg	#
<b>Start</b>													
1 <u>WISCONSIN EMPLOYEE TRUST FUNDS</u>													
2 Main survey contact: <u>NADINE KONRATH</u> <u>BUDGET &amp; POLICY SUPERVISOR</u> <u>NADINE.KONRATH@ETF.WI.GOV</u> <u>608.266.3598</u>													
3 What is the month of your fiscal year-end? [All questions in this survey are for your most recently completed fiscal year.]	June	June	June										
4 What was the end of fiscal year value of your pension fund assets (in billions)?	\$98.1	\$86.5	\$76.3										
8 What percentage of your total salary and benefits costs relates to benefits? <b>Service</b> <b>Activity 1a - Pension Payments</b>	28.0%	26.6%	38.9%	37.8%	27.8%	19.1%	29.2%	15	51.0%	27.7%	5.0%	27.6%	48
10 Do you administer annuity pensions? If no, skip to question 21	Yes	Yes	Yes	100% Yes / 0% No / 0% n/a				15	100% Yes / 0% No / 0% n/a				55
11 Were any of your pension payrolls late vis-à-vis your normal payment cycle? [For example, a payroll might be late because of IT system problems. etc.] If yes: a) How many payrolls were late? b) On average, how many days late were they?	No n/a n/a	No n/a n/a	No n/a n/a	0% Yes / 100% No / 0% n/a				15	4% Yes / 96% No / 0% n/a				55
12 What percentage of pensioners are paid by check [as opposed to Electronic Funds Transfer ("EFT")]?	1.0%	1.2%	1.0%	10.0%	3.0%	0.0%	4.1%	15	11.0%	2.7%	0.0%	3.7%	48
13 Do you send out payment advices (i.e., gross/ net specifications) in paper format to members receiving EFT payments? If yes: a) How frequently do you send payment advices with your EFT payments detailing the gross payment and deductions? b) Can you comply with a member's request not to send them payment advices? c) Are new annuitants asked to choose whether or not they want to receive payment advices?	Yes Every Time Amount Changes	Yes Every Time Amount Changes	Yes Every Time Amount Changes	93% Yes / 7% No / 0% n/a				15	93% Yes / 7% No / 0% n/a				55
				6	6	2	6	14	12	6	1	7	51
	No	No	No	20% Yes / 73% No / 7% n/a				14	31% Yes / 62% No / 7% n/a				51
	No	No	No	7% Yes / 87% No / 7% n/a				14	5% Yes / 87% No / 7% n/a				51

Survey Question	Your Response			Peers 2014					All Participants 2014						
	2014	2013	2012	Max	Med	Min	Avg	#	Max	Med	Min	Avg	#		
14 Will you issue a pension payment in a foreign currency if the member requests it? <b>Activity 1b - Pension Inceptions</b>	No	No	No	0% Yes / 100% No / 0% n/a					15	18% Yes / 82% No / 0% n/a					55
15 How many changes in gross amount of annuity pensions paid occurred as a result of changes in an individual annuitant's personal circumstances? For example: • When the spouse of an annuitant dies "last survivor" options result in decreases, and "pop-up" or "reversion" options result in increases. [Exclude annuitant deaths that result in new pensions paid to spouses.] • When an annuitant or their beneficiary becomes eligible for social security, it often results in a reduction of the gross pension paid. • Redesign of the payment option, appeal decisions, high low options shifting to low, etc.	13,908	10,778	12,627	13,908	652	0	1,545	15	176,250	623	0	5,570	55		
16 How many formal appeals (non-disability) of pension inceptions did you have?	7	13	5	104	15	0	33	15	138	3	0	18	55		
17 What percentage of annuity inceptions for: a) Retiring active members are paid without an interruption of cash flow greater than 1 month between the final pay check and the first pension check? b) Survivors are paid without an interruption of cash flow between the pensioner's final pension check and the survivor's first pension check?	99.0%	99.0%	99.0%	100.0%	97.0%	6.9%	85.0%	15	100.0%	97.9%	6.9%	88.0%	55		
	99.0%	99.0%	99.0%	100.0%	80.0%	23.0%	68.5%	15	100.0%	85.0%	0.0%	69.0%	55		
18 Will you initiate a service retirement pension based on existing data or estimates, recognizing that you will have to finalize the payments later after you get final data? a) If yes, what proportion of your service retirement inceptions to retiring active members was based on existing data or estimates? b) On average, how long did it take to finalize service retirement inceptions based on estimates? (in months)	Yes	Yes	Yes	93% Yes / 7% No / 0% n/a					15	75% Yes / 25% No / 0% n/a					55
	99.0%	99.0%	100.0%	100.0%	83.6%	3.3%	71.9%	14	100.0%	67.2%	0.0%	58.0%	41		
	6	10	12	9	3	1	3	14	9	2	1	3	39		
19 Do you require birth certificates and/or marriage certificates before incepting a pension?	No	No	No	47% Yes / 53% No / 0% n/a					15	73% Yes / 27% No / 0% n/a					48
20 Do you require notarization of normal or early retirement applications?  If some, describe those that require versus those that do not: <u>n/a</u> <b>Activity 1c - Refunds, Transfers-out, Withdrawals</b>	No	No	No	27% Yes / 47% No / 27% Some / 0% n/a					15	24% Yes / 58% No / 18% Some / 0% n/a					55

Survey Question		Your Response			Peers 2014					All Participants 2014				
		2014	2013	2012	Max	Med	Min	Avg	#	Max	Med	Min	Avg	#
21	How many written estimates for refunds/ terminations/ transfer-outs did you prepare in response to member requests? [Include all estimates whether they result in a refund or not.]	Unknown	Unknown	0	70,851	7,357	0	13,169	12	70,851	4,667	0	8,089	47
22	How long does it take on average for you to issue a refund check, including any required wait period, beginning from the time of the initial request by the member (in days)?	120	120	180	120	31	2	41	15	250	30	2	44	47
	a) Are you legislated to have a wait period before you can effect a refund?	No	No	No	53% Yes / 47% No / 0% n/a				15	42% Yes / 58% No / 0% n/a				48
	b) If yes: How long is the wait period? (in days)	n/a	n/a	n/a	90	30	10	35	8	122	53	0	54	20
	c) If yes: Can the wait period be waived?	n/a	n/a	n/a	20% Yes / 33% No / 47% n/a				8	8% Yes / 33% No / 58% n/a				20
23	How long does it take on average for you to complete individual transfers-out to external systems, including delays caused by external parties, beginning from the time of:													
	a) Initial request by the member (in business days)?	60	120	180	280	21	2	55	13	400	36	2	75	43
24	Do you require notarization of refund or transfer-out applications? (yes, some, no)	No	No	No	7% Yes / 40% No / 53% Some / 0% n/a				15	22% Yes / 55% No / 24% Some / 0% n/a				55
	a) If some, describe those that require versus those that do not: <u>n/a</u> <b>Activity 1d - Purchases and Transfers-in</b>													
25	Number of actual:													
	a) Service credit purchases such as for prior refunded service, military service, etc.?	798	767	820	24,300	2,057	150	4,237	15	24,300	2,036	24	3,475	47
	b) Upgrades or 'Top-ups' where members can improve their pensionable salary (but not service credit)?	n/a	n/a	n/a	0	0	0	0	15	1,201	0	0	37	55
	c) Upgrades where members can pay to upgrade from an older retirement formula to a new retirement formula?	n/a	n/a	n/a	2,186	0	0	152	15	2,293	0	0	125	55
d) Individual transfers-in from external defined benefit systems? [For example, many systems have reciprocal agreements with 'sister' systems that permit members to transfer-in credit from the external System when they join their System and vice versa? Do not include collective transfers-in]	n/a	n/a	n/a	2,373	8	0	419	15	19,800	70	0	880	55	
26	How many written purchase, upgrade, or transfer-in estimates did you prepare in response to member requests? [Include all estimates whether these result in a purchase or not.]	1,134	1,380	1,114	27,647	3,173	855	6,127	14	97,026	3,668	0	8,544	53
27	On average, how many business days does it take from the date of first request to provide a written service credit purchase cost?	5	11	7	160	9	1	23	15	160	10	1	26	49
28	How long does it take on average for you to do individual transfers-in? [Months from request to completion including delays caused by external parties]	2	3	4	2	2	1	1	13	33	2	1	4	41
	<b>Activity 1e - Disability</b>													

Survey Question	Your Response			Peers 2014					All Participants 2014						
	2014	2013	2012	Max	Med	Min	Avg	#	Max	Med	Min	Avg	#		
29 Do you administer: a) Long-term disability/ disability pensions? b) Short-term disability?  If you do not administer either short-term or long-term disability, or disability pensions skip to question 36.	Yes	Yes	Yes	100% Yes / 0% No / 0% n/a					15	81% Yes / 17% No / 2% n/a					47
	Yes	Yes	Yes	20% Yes / 80% No / 0% n/a					15	10% Yes / 88% No / 2% n/a					47
30 Number of: a) Applications for disability pensions/ long-term disability? b) Members receiving long-term disability or a disability pension?  c) Applications for short-term disability (if you administer)? d) Members receiving short-term disability (if you administer)? e) Independent medical examinations for disability application assessment or reassessment paid for by you, if any? f) New members that you reviewed the health status of? [For example, ESSS conducts Medical Classification Reviews on their new members. A Medical classification may reduce a member's entitlement to disability and/or death benefits.] g) Formal appeals of disability decisions? h) Recertifications of disabled members? [For example, Arizona SRS requires an annual opinion from a physician to continue on disability.]	912	910	981	2,620	683	127	761	15	3,833	270	0	577	48		
	9,495	1,906	New	27,898	7,551	41	8,732	15	65,107	4,233	41	7,707	39		
	1,477	1,491	1,509	3,237	0	0	314	15	3,237	0	0	140	48		
	1,827	1,906	1,867	2,829	1,827	0	1,552	3	3,489	1,827	0	1,708	5		
	0	0	1	3,385	68	0	608	15	3,385	3	0	245	48		
	284	263	228	684	0	0	68	15	684	0	0	21	48		
	59	43	47	505	23	0	86	15	505	1	0	35	55		
	325	404	New	4,233	682	0	1,587	11	4,233	353	0	911	32		
31 Do you cover non-occupational disability? [Some systems only cover disabilities that happen at work.] a) If yes, does either the amount paid or the taxation of the disability benefit vary depending on whether the disability is occupational versus non-occupational? b) If yes to 'a' immediately above: Number of occupational disability applications?	Yes	Yes	Yes	100% Yes / 0% No / 0% n/a					15	81% Yes / 0% No / 19% n/a					39
	No	No	No	60% Yes / 40% No / 0% n/a					15	35% Yes / 46% No / 19% n/a					39
	n/a	n/a	n/a	1,009	7	0	86	15	1,508	0	0	76	48		
32 How many months, on average, does it take to return a decision on a disability application from: a) date of initial request from a member? b) date of receipt of all necessary documentation to complete an application?	3	3	3	11	3	0	3	15	15	2	0	3	40		
	1	1	New	4	1	0	1	15	6	1	0	2	40		
33 Do you have an expedited method for processing disability for a terminally ill member?	Yes	Yes	Yes	87% Yes / 13% No / 0% n/a					15	54% Yes / 29% No / 17% n/a					40
34 Do you proactively advise inactive members that their disability coverage will be expiring? [For example New Jersey advises members at 18 months that disability coverage expires at 2 years.]	Yes	Yes	Yes	40% Yes / 53% No / 7% n/a					14	23% Yes / 35% No / 42% n/a					28
35 Do you require notarization of disability applications? a) If some, describe those that require versus those that do not: n/a	No	No	No	33% Yes / 67% No / 0% Some / 0% n/a					15	25% Yes / 58% No / 0% Some / 17% n/a					40

Survey Question	Your Response			Peers 2014					All Participants 2014				
	2014	2013	2012	Max	Med	Min	Avg	#	Max	Med	Min	Avg	#
<b>Activity 2a - Call Center Volumes</b>													
36 What were your volumes of:													
a) Incoming calls that reach and are responded to by a knowledgeable service representative (i.e., exclude messages, etc.)?	144,451	149,165	143,175	416,380	236,133	93,609	235,837	15	610,552	135,848	12,715	169,451	55
b) Outgoing calls from service representatives responding to messages (voice mail, receptionist, etc.) or following-up on previous calls?	11,443	10,833	9,564	58,557	11,443	782	15,091	15	181,201	10,668	363	17,138	55
c) Incoming calls satisfied by self-serve options, if any?	35,765	32,591	38,024	698,324	9,311	0	58,312	15	698,324	0	0	26,154	55
d) Email queries from members?	11,680	12,402	14,261	28,900	11,680	0	12,477	15	90,000	9,068	0	15,463	55
<b>Before Reaching a Service Rep</b>													
37 In the table below, indicate whether or not each described outcome can occur when a member calls into your system seeking a knowledgeable person during business hours, and if yes, indicate the volume of occurrences.													
a) Busy signal, never enters the system?	Yes	Yes	Yes	20% Yes / 80% No / 0% n/a				15	20% Yes / 80% No / 0% n/a				55
b) Caller gets pre-recorded 'call another time' message during business hours?	No	No	No	20% Yes / 80% No / 0% n/a				15	27% Yes / 73% No / 0% n/a				55
c) Voice mail takes a message during business hours?	No	No	No	20% Yes / 80% No / 0% n/a				15	45% Yes / 55% No / 0% n/a				55
d) Abandoned calls in a menu (i.e. caller hangs-up before reaching the end of a self-serve menu branch that can answer his/her question or before reaching a queue)?	Yes	Yes	Yes	87% Yes / 13% No / 0% n/a				15	71% Yes / 29% No / 0% n/a				55
e) Abandoned calls in a queue or on hold (i.e. caller hangs-up)?	Yes	Yes	Yes	100% Yes / 0% No / 0% n/a				15	95% Yes / 5% No / 0% n/a				55
f) System hangs up on caller after he/she has waited in the queue longer than a pre-set time or if the queue becomes full?	No	No	No	7% Yes / 93% No / 0% n/a				15	5% Yes / 95% No / 0% n/a				55
g) System sends the caller back to the main menu after he/she has waited in the queue longer than a pre-set time or if the queue becomes full?	No	No	No	7% Yes / 93% No / 0% n/a				15	4% Yes / 93% No / 4% n/a				53
h) Busy signal after navigating an automated attendant menu, or after being transferred by a receptionist?	No	No	No	20% Yes / 80% No / 0% n/a				15	5% Yes / 91% No / 4% n/a				53
i) Call rings unanswered during business hours?	No	No	No	7% Yes / 93% No / 0% n/a				15	4% Yes / 95% No / 2% n/a				54
If yes: volume													
a) # Busy signal, never enters the system?	2,575	2,257	1,213	2,575	2,342	423	1,780	3	2,575	299	0	929	11
b) # Caller gets pre-recorded 'call another time' message during business hours?	n/a	n/a	n/a	61,198	55,574	12,758	43,177	3	186,731	283	0	22,426	15
c) # Voice mail takes a message during business hours?	n/a	n/a	n/a	8,584	6,000	349	4,978	3	14,445	1,200	92	2,892	25
d) # Abandoned calls i.e. caller hangs-up while in a menu?	Unknown	Unknown	Unknown	143,718	10,678	187	30,449	12	143,718	3,371	0	16,167	37
e) # Abandoned calls i.e. caller hangs-up while in a queue or on hold?	10,941	13,324	9,015	86,809	15,227	1,266	24,983	15	86,809	5,347	55	12,526	52
f) # System hangs up on caller (or sends the caller back to the main menu) after he/she has waited in the queue longer than a pre-set time or if the queue becomes full?	n/a	n/a	n/a	3,345	3,345	3,345	3,345	1	3,345	2,700	0	2,015	3

Survey Question	Your Response			Peers 2014					All Participants 2014				
	2014	2013	2012	Max	Med	Min	Avg	#	Max	Med	Min	Avg	#
g) # System sends the caller back to the main menu after he/she has waited in the queue longer than a pre-set time or if the queue becomes full?	n/a	n/a	n/a	1,209	1,209	1,209	1,209	1	63,244	32,227	1,209	32,227	2
h) # Busy signal after navigating an automated attendant menu, or after being transferred by a receptionist?	n/a	n/a	n/a	159,157	64,272	17,853	80,427	3	159,157	64,272	17,853	80,427	3
i) # Call rings unanswered during business hours?	n/a	n/a	n/a	1,928	1,928	1,928	1,928	1	2,385	2,156	1,928	2,156	2
If volume is unknown, estimate the % of total calls that this outcome represents													
a) % Busy signal, never enters the system?	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0	1.0%	0.1%	0.0%	0.4%	3
b) % Caller gets pre-recorded 'call another time' message during business hours?	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0	1.3%	0.1%	0.0%	0.3%	7
c) % Voice mail takes a message during business hours?	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0	3.0%	1.0%	0.7%	1.3%	5
d) % Abandoned calls i.e. caller hangs-up while in a menu?	Unknown	Unknown	Unknown	15.0%	15.0%	15.0%	15.0%	1	15.0%	1.0%	0.0%	3.2%	9
e) % Abandoned calls i.e. caller hangs-up while in a queue or on hold?	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0	5.0%	3.0%	0.1%	2.7%	3
f) % System hangs up on caller (or sends the caller back to the main menu) after he/she has waited in the queue longer than a pre-set time or if the queue becomes full?	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0	n/a	n/a	n/a	n/a	0
g) % System sends the caller back to the main menu after he/she has waited in the queue longer than a pre-set time or if the queue becomes full?	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0	25.0%	25.0%	25.0%	25.0%	1
h) % Busy signal after navigating an automated attendant menu, or after being transferred by a receptionist?	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0	n/a	n/a	n/a	n/a	0
i) % Call rings unanswered during business hours?	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0	4.3%	4.3%	4.3%	4.3%	1
38 Do you have a menu system that callers negotiate before speaking to someone? If yes:	Yes	Yes	Yes	93% Yes / 7% No / 0% n/a				15	78% Yes / 22% No / 0% n/a				55
a) What is the average number of menu layers that must be navigated before a caller can speak to a live person? [Count each and every time a caller must select a menu option by pressing a button on the phone as a menu layer. Use the volume-weighted average number of menu layers if callers must negotiate different numbers of menu layers to reach a service representative on some menu-tree branches than on others.]	3	3	2	4	2	1	2	14	5	2	1	2	43
b) What is the average time in seconds that it would take a caller to negotiate the menu and listen to menu options before the caller is forwarded to a live person (or queue for a live person)?	60	90	80	247	55	29	76	14	247	40	2	52	43
c) Is the menu system by-passed if a service representative is available?	No	No	No	0% Yes / 93% No / 7% n/a				14	0% Yes / 78% No / 22% n/a				43
c1) If yes, what percentage of calls is the menu system by-passed?	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0	n/a	n/a	n/a	n/a	0

Survey Question	Your Response			Peers 2014					All Participants 2014							
	2014	2013	2012	Max	Med	Min	Avg	#	Max	Med	Min	Avg	#			
39	When a member calls in, is the first point of human contact usually a receptionist(s) who transfers a high proportion of calls elsewhere in the organization? (indicate no if most calls go directly to a call center)			No	No	No	0% Yes / 100% No / 0% n/a		15	5% Yes / 95% No / 0% n/a				55		
	If yes:															
	a) Do you have a queue for the receptionist(s)?			n/a	n/a	n/a	0% Yes / 0% No / 100% n/a		0	2% Yes / 4% No / 95% n/a				3		
	a1) If yes, what is the average wait time in seconds in the queue for the receptionist(s)?			n/a	n/a	n/a	n/a	n/a	0	6	6	6	6	1		
	b) Approximately what percentage of callers are:															
	b1) Satisfied by the receptionist without forwarding?			n/a	n/a	n/a	n/a	n/a	0	80.0%	15.0%	2.0%	28.0%	4		
	b2) Forwarded by the receptionist to a queue for service representatives?			n/a	n/a	n/a	n/a	n/a	0	95.0%	60.0%	19.0%	58.0%	3		
	b3) Forwarded by the receptionist to specific people or departments?			n/a	n/a	n/a	n/a	n/a	0	90.0%	9.0%	1.0%	27.3%	4		
	b4) Receptionist takes a message?			n/a	n/a	n/a	n/a	n/a	0	5.0%	0.0%	0.0%	1.7%	3		
40	Do you have a queue for service representatives? [The entry to the queue could be a recorded message, a menu system or a receptionist.]			Yes	Yes	Yes	100% Yes / 0% No / 0% n/a		15	95% Yes / 5% No / 0% n/a				55		
	If yes:															
	a) Average wait time in seconds in queue for a service representative?			148	192	136	430	128	23	147	15	430	53	9	93	52
	b) Are calls automatically sent to voice mail when the queue exceeds a set wait time (i.e., callers are not given the option to wait)?			No	No	No	7% Yes / 93% No / 0% n/a		15	9% Yes / 85% No / 5% n/a				52		
41	Does your system notify the caller of the expected wait time, or their place in the queue, for reaching a knowledgeable service rep when they first call in?			No	New	New	36% Yes / 64% No / 0% n/a		11	26% Yes / 71% No / 3% n/a				30		
42	Do you have a callback feature on your phone system? [i.e. the caller's telephone number is placed in a queue for callback when their turn comes up]			No	No	No	33% Yes / 67% No / 0% n/a		15	15% Yes / 85% No / 0% n/a				55		
	If yes:															
	a) What was the total volume of callbacks?			n/a	n/a	n/a	245,990	14,895	685	66,145	5	245,990	15,292	685	52,758	8
	b) Are callbacks made as soon as the caller's turn in the queue comes up or at a later, designated time?			n/a	n/a	n/a	27% Queue/7% Designated Time/67% n/a		5	13% Queue/2% Designated Time/85% n/a				8		
	b1) If callbacks are made as soon as the caller's turn in the queue comes up, what is the average time between when the caller hangs up and when they are called back?			n/a	n/a	n/a	2,700	836	450	1,205	4	2,700	461	360	925	6
	c) Does the caller have the option of either leaving his number for callback or choosing to remain on the line?			n/a	n/a	n/a	33% Yes / 0% No / 67% n/a		5	15% Yes / 0% No / 85% n/a				8		
	d) What is the callback completion rate? i.e., what percentage of callers that chose to be called back, were actually reached.			n/a	New	New	95.0%	85.8%	58.3%	79.7%	3	100.0%	90.4%	58.3%	87.5%	6

Survey Question		Your Response			Peers 2014					All Participants 2014				
		2014	2013	2012	Max	Med	Min	Avg	#	Max	Med	Min	Avg	#
	<u>After Reaching a Service Rep</u>													
43	What was the:													
	a) % of callers transferred after first contact? (exclude receptionists)	5.9%	5.9%	9.6%	29.0%	4.0%	0.0%	6.0%	15	29.0%	4.0%	0.0%	6.2%	54
	b) % of callers you called back because their needs were not fully satisfied at first contact?	3.6%	3.6%	5.0%	14.3%	3.8%	0.5%	4.3%	14	31.4%	3.0%	0.0%	4.7%	46
	c) % of calls satisfied by the first contact?	90.5%	90.5%	93.0%	98.7%	91.7%	63.8%	89.9%	14	99.0%	91.7%	48.0%	87.9%	50
44	If available, what was the:													
	a) Average talk time (in seconds)? [Do not include: hold or queuing time prior to a member reaching a knowledgeable person, or hold time after a member has reached a knowledgeable person.]	308.0	307.0	272.2	382.0	308.0	212.0	295.5	15	450.0	287.0	145.0	287.4	53
	b) Average after call work time (in seconds) when service representative is unavailable to take another call?	90.0	26.0	14.2	238.0	67.0	21.0	85.8	13	275.0	80.0	0.0	101.3	43
	c) Average occupancy %? [time spent handling calls, including after call work, as a percentage of total available time to answer calls.]	87.4%	81.8%	New	89.0%	78.0%	41.8%	73.7%	13	93.6%	78.0%	22.0%	70.9%	39
45	When a member calls in, do you have immediate computer access to the following member data:													
	a) Record of the member's previous calls to the system?	Yes	Yes	Yes	80% Yes / 20% No / 0% n/a				15	80% Yes / 20% No / 0% n/a				55
	b) Copies of recent correspondence online?	Yes	Yes	Yes	100% Yes / 0% No / 0% Some / 0% n/a				15	95% Yes / 4% No / 2% Some / 0% n/a				55
	c) Knowledge based online help system available for use by the service representative?	Yes	Yes	Yes	87% Yes / 13% No / 0% n/a				15	85% Yes / 15% No / 0% n/a				55
	d) Most recent member statement?	Yes	Yes	Yes	100% Yes / 0% No / 0% n/a				15	100% Yes / 0% No / 0% n/a				55
	e) Beneficiary information?	Yes	Yes	Yes	100% Yes / 0% No / 0% n/a				15	98% Yes / 2% No / 0% n/a				55
46	Do your service representatives have real-time access to a workflow system that lets them know the status of open items?	Yes	Yes	Yes	100% Yes / 0% No / 0% n/a				15	89% Yes / 11% No / 0% n/a				55
47	Can and will you provide the following information on an immediate real-time basis to members over the phone? [If you do not have real-time access to the information or if your policy is not to give the information over the phone because of security or other concerns then your answer should be 'no']													
	a) Estimates of the member's pension at retirement?	No	No	No	73% Yes / 27% No / 0% n/a				15	62% Yes / 38% No / 0% n/a				55
	a1) If yes, can you easily model and provide alternate annuity payment scenarios? [i.e., joint and 50% survivor, joint and 70% survivor, etc.]	n/a	n/a	n/a	73% Yes / 27% No / 0% n/a				15	56% Yes / 44% No / 0% n/a				55
	a2) If yes, is the estimate based on an interactive benefit calculator linked to the member's actual account data?	n/a	n/a	n/a	73% Yes / 27% No / 0% n/a				15	58% Yes / 42% No / 0% n/a				55
	b) Refund or transfer value assuming the member exited employment at the time of the call?	Yes	Yes	Yes	93% Yes / 7% No / 0% n/a				15	71% Yes / 29% No / 0% n/a				55

Survey Question	Your Response			Peers 2014					All Participants 2014						
	2014	2013	2012	Max	Med	Min	Avg	#	Max	Med	Min	Avg	#		
c) Pensionable salary?	Yes	Yes	Yes	93% Yes / 7% No / 0% n/a					15	84% Yes / 15% No / 2% n/a					54
d) Service credit history including gaps?	No	New	New	82% Yes / 18% No / 0% n/a					11	77% Yes / 23% No / 0% n/a					31
e) Cost to purchase service credit?	No	No	No	53% Yes / 47% No / 0% n/a					15	53% Yes / 45% No / 2% n/a					54
f) If you administer a DC plan:															
f1) Current value of the DC account?	n/a	n/a	n/a	33% Yes / 7% No / 60% n/a					6	23% Yes / 2% No / 75% n/a					12
f2) Estimate of the value of the DC account at retirement?	n/a	n/a	n/a	20% Yes / 20% No / 60% n/a					6	15% Yes / 10% No / 75% n/a					12
f3) History of account transactions?	n/a	n/a	n/a	33% Yes / 7% No / 60% n/a					6	23% Yes / 2% No / 75% n/a					12
48 Can members calling in perform the following transactions over the phone:															
a) Change address?	Yes	Yes	Yes	73% Yes / 27% No / 0% n/a					15	77% Yes / 23% No / 0% n/a					48
b) Add or change email address?	No	New	New	55% Yes / 45% No / 0% n/a					11	61% Yes / 39% No / 0% n/a					31
c) Change payment instructions? [i.e., bank account]	Yes	Yes	Yes	13% Yes / 87% No / 0% n/a					15	15% Yes / 85% No / 0% n/a					48
d) If you administer a DC plan, switches to investment options?	n/a	n/a	n/a	20% Yes / 33% No / 47% n/a					8	13% Yes / 15% No / 73% n/a					13
<u>Quality and Other</u>															
49 Do you review your staff's responses to member calls for coaching purposes on a regular basis? [As opposed to intermittent or only while training new service representatives, etc.]	Yes	Yes	Yes	87% Yes / 13% No / 0% n/a					15	80% Yes / 20% No / 0% n/a					55
a) If yes, how many calls per agent per month (on average) do you monitor?	3	3	3	10	5	3	6	13	25	4	1	5	44		
b) If yes, are you listening in on a live call or a recording?	Recording	Recording	Recording	60% Recording / 7% Live / 20% Both / 13% n/a					13	53% Recording / 13% Live / 15% Both / 20% n/a					44
50 Do you have and use tools to help you project call volumes?	No	No	No	93% Yes / 7% No / 0% n/a					15	82% Yes / 18% No / 0% n/a					55
51 Do you have a toll free number (or a number where members are only charged the cost of a local call no matter where they are located) that members can call to get a real person (not just an info line)?	Yes	Yes	Yes	100% Yes / 0% No / 0% n/a					15	89% Yes / 11% No / 0% n/a					55
52 How many hours per week is your 'call center' operational?	50	50	50	60	45	43	47	15	63	45	38	46	55		
53 Can members communicate questions using email?	Yes	Yes	Yes	93% Yes / 7% No / 0% n/a					15	93% Yes / 7% No / 0% n/a					55
a) If yes, what is the average time (in business days) to respond to an email query? Do not include auto-responses or confirmation of email receipt.	2.0	3.0	3.0	5.4	1.6	0.5	1.9	14	5.4	1.0	0.3	1.8	51		
<b>Activity 2b - Mail Room, Imaging</b>															
54 What were your volumes of:															
a) Incoming mail?	169,464	178,535	173,000	300,267	227,748	68,000	189,950	15	987,797	110,000	3,064	181,594	55		
b) Outgoing mail?	2,255,502	2,107,904	2,294,000	4,045,702	1,141,356	107,441	1,360,669	15	4,221,652	351,373	16,100	807,122	55		
55 Do you use imaging technology?	Yes	Yes	Yes	100% Yes / 0% No / 0% n/a					15	96% Yes / 4% No / 0% n/a					55

Survey Question	Your Response			Peers 2014					All Participants 2014						
	2014	2013	2012	Max	Med	Min	Avg	#	Max	Med	Min	Avg	#		
If yes: a) Do you keep images of ALL incoming member correspondence and submitted forms? b) If not all, describe the member documents you do keep images of below: <u>n/a</u> c) Have all historical documents also been imaged? <b>Activity 2c -1-on-1 Member Counseling</b>	Yes	Yes	Yes	100% Yes / 0% No / 0% n/a					15	93% Yes / 4% No / 4% n/a					53
Yes Yes Yes 67% Yes / 33% No / 0% n/a 15 65% Yes / 31% No / 4% n/a 53															
56 Do you provide 1-on-1 counseling? If you do not offer 1-on-1 counseling skip to question 66.	Yes	Yes	Yes	100% Yes / 0% No / 0% n/a					15	96% Yes / 4% No / 0% n/a					55
57 Provide the number of members counseled 1-on-1 that were: a) Pre-scheduled and/or walk-in counseled in-house? [Include only if the member actually sees a counselor. Exclude 'walk-through' traffic (i.e., picking up brochures or forms) where needs can be met by the receptionist.] b) In the field at locations separate from the member's place of employment? c) At the member's place of employment? d) Via teleconference? [These are pre-scheduled counseling sessions that cover materials sent to the member in advance of the session.] (Total counseled 1-on-1)	5,704	5,126	7,369	19,105	4,025	157	6,197	15	24,121	2,875	0	4,582	53		
	35	26	40	20,088	856	0	4,154	15	47,249	111	0	2,372	55		
	Unknown	0	0	2,670	0	0	397	15	10,355	0	0	559	55		
	0	0	0	8,364	2	0	885	15	123,407	0	0	2,567	55		
	5,739	5,152	7,409	49,510	5,892	1,091	11,634	15	123,407	4,025	0	9,914	55		
58 Is 1-on-1 retirement counseling a freely available option for most members? [If the only 1-on-1 counseling you do is for VIPs, disability, exceptions and emergencies then your answer should be no.]	Yes	Yes	Yes	93% Yes / 7% No / 0% n/a					15	95% Yes / 2% No / 4% n/a					53
59 Do you limit 1-on-1 counseling by: a) Requiring that members be within a certain time period of earliest possible retirement? b) Placing a limit on the number of counseling sessions a member can request? c) Indicating that members should contact their employers or unions first for counseling? d) Other (describe)? <u>n/a</u>	No	No	No	7% Yes / 93% No / 0% n/a					15	5% Yes / 91% No / 4% n/a					53
	No	No	No	0% Yes / 100% No / 0% n/a					15	4% Yes / 93% No / 4% n/a					53
	No	No	No	0% Yes / 100% No / 0% n/a					15	2% Yes / 95% No / 4% n/a					53
	No	No	No	7% Yes / 93% No / 0% n/a					15	7% Yes / 82% No / 11% n/a					49
60 Do you provide counseling for walk-in traffic? If yes:	Yes	Yes	Yes	93% Yes / 7% No / 0% n/a					15	87% Yes / 9% No / 4% n/a					53

Survey Question	Your Response			Peers 2014					All Participants 2014						
	2014	2013	2012	Max	Med	Min	Avg	#	Max	Med	Min	Avg	#		
a) On average, how long does a walk-in member that requests a counseling session typically have to wait till they can meet with a counselor? (minutes)	15	15	20	22	5	0	7	14	22	5	0	7	48		
b) Approximately what percentage of walk-in members requesting a counseling session are turned away, or scheduled for another time, or leave with their needs unsatisfied because they decide the wait was too long?	0.0%	0.0%	0.0%	99.0%	0.0%	0.0%	7.4%	14	99.0%	0.0%	0.0%	6.6%	48		
61 Do you offer prescheduled 1-on-1 counseling?	Yes	Yes	Yes	93% Yes / 7% No / 0% n/a					15	89% Yes / 7% No / 4% n/a					53
a) If yes, how long does a member that requests a pre-scheduled counseling session typically have to wait, in business days, before he can meet with a counselor for an in-house 1-on-1 counseling session?	8	4	8	20	2	0	4	14	45	1	0	7	49		
62 Do you offer 1-on-1 counseling sessions after normal working hours, such as evenings and/or weekends?	No	No	No	60% Yes / 40% No / 0% n/a					15	53% Yes / 44% No / 4% n/a					53
63 Do you provide 1-on-1 counseling in the field?	Yes	Yes	Yes	80% Yes / 20% No / 0% n/a					15	75% Yes / 22% No / 4% n/a					53
If yes, indicate the number of different field locations where you provided 1-on-1 counseling last year that were at:															
a) Field offices staffed on a full-time basis and located in cities different from your main office?	0	0	0	14	1	0	2	12	20	1	0	3	26		
b) Member's place of employment?	Unknown	0	0	422	7	0	66	9	10,355	13	0	445	35		
c) Intermittent locations (such as hotels, offices) separate from the member's place of employment?	35	9	11	257	53	13	66	9	1,439	20	0	71	37		
64 For 1-on-1 counseling sessions that are walk-ins, prescheduled in-house and in the field:															
a) Do almost all sessions take place in a private office with a door (versus a cubicle, etc.)?															
a1) Walk-in traffic in-house?	No	No	No	80% Yes / 13% No / 7% n/a					14	76% Yes / 13% No / 11% n/a					49
a2) Pre-scheduled in-house?	No	No	No	87% Yes / 7% No / 7% n/a					14	80% Yes / 9% No / 11% n/a					49
a3) In-the-field?	No	No	No	60% Yes / 20% No / 20% n/a					12	49% Yes / 25% No / 25% n/a					41
b) Do you have real-time access to the member's data (i.e., salary, service credit, refund value, beneficiaries, etc.)?															
b1) Walk-in traffic in-house?	Yes	Yes	Yes	93% Yes / 0% No / 7% n/a					14	89% Yes / 0% No / 11% n/a					49
b2) Pre-scheduled in-house?	Yes	Yes	Yes	87% Yes / 7% No / 7% n/a					14	85% Yes / 4% No / 11% n/a					49
b3) In-the-field?	Yes	Yes	Yes	73% Yes / 7% No / 20% n/a					12	58% Yes / 16% No / 25% n/a					41
c) Do you provide new written estimates on a real-time basis for anybody that wants one?															
c1) Walk-in traffic in-house?	Yes	Yes	Yes	73% Yes / 20% No / 7% n/a					14	71% Yes / 18% No / 11% n/a					49
c2) Pre-scheduled in-house?	Yes	Yes	Yes	80% Yes / 13% No / 7% n/a					14	76% Yes / 13% No / 11% n/a					49
c3) In-the-field?	No	No	No	53% Yes / 27% No / 20% n/a					12	45% Yes / 29% No / 25% n/a					41

Survey Question		Your Response			Peers 2014					All Participants 2014					
		2014	2013	2012	Max	Med	Min	Avg	#	Max	Med	Min	Avg	#	
	d) Do you provide an accurate cost to purchase service credit on a real-time basis for anybody that wants one?														
	d1) Walk-in Traffic In-house?	Yes	Yes	Yes	67% Yes / 27% No / 7% n/a					14	53% Yes / 33% No / 15% n/a				47
	d2) pre-scheduled In-house?	Yes	Yes	Yes	67% Yes / 27% No / 7% n/a					14	56% Yes / 29% No / 15% n/a				47
	d3) In-the-field?	No	No	No	47% Yes / 33% No / 20% n/a					12	36% Yes / 35% No / 29% n/a				39
	e) If you administer a DC plan, can you provide future retirement income and/ or account balance projections based on the member's account information and various market scenarios?														
	e1) Walk-in Traffic In-house?	n/a	n/a	n/a	27% Yes / 13% No / 60% n/a					6	13% Yes / 8% No / 79% n/a				10
	e2) pre-scheduled In-house?	n/a	n/a	n/a	33% Yes / 13% No / 53% n/a					7	13% Yes / 6% No / 81% n/a				9
	e3) In-the-field?	n/a	n/a	n/a	20% Yes / 13% No / 67% n/a					5	10% Yes / 6% No / 83% n/a				8
65	Do you review 1-on-1 counseling sessions for coaching purposes on a regular basis? [As opposed to intermittent or only while training new counselors, etc.]	No	No	No	40% Yes / 60% No / 0% n/a					15	47% Yes / 49% No / 4% n/a				53
	<b>Activity 2d - Member Presentations and Group Retirement Counseling</b>														
66	Do you offer member presentations (including group counseling)?	Yes	Yes	Yes	100% Yes / 0% No / 0% n/a					15	96% Yes / 4% No / 0% n/a				55
	If you do not offer member presentations skip to question 73.														
67	How many benefit fairs did you host or participate in?	40	45	33	363	37	0	68	15	363	10	0	37	48	
68	How many presentations (including group counseling sessions) for members or annuitants [exclude presentations to employers] did you do that took place:														
	a) In-house?	62	24	89	251	12	0	40	15	251	0	0	25	55	
	b) In the field?	293	239	342	1,220	339	8	507	15	1,565	127	0	303	55	
	c) Via live webcast?	174	New	New	174	6	0	27	11	174	0	0	13	31	
69	What was the total number of attendees at all of the presentations per question 68 above? [Exclude benefit fair attendees per question 67]	16,728	8,718	8,545	37,318	13,776	2,547	16,434	15	46,057	6,666	800	10,414	53	
70	Did you do specific presentations for members, in the past fiscal year, targeted solely for:														
	a) New members?	Yes	Yes	Yes	100% Yes / 0% No / 0% n/a					15	69% Yes / 27% No / 4% n/a				53
	b) Members in mid career?	Yes	Yes	Yes	73% Yes / 27% No / 0% n/a					15	64% Yes / 33% No / 4% n/a				53
	c) Members approaching retirement or ready to retire?	Yes	Yes	Yes	100% Yes / 0% No / 0% n/a					15	93% Yes / 4% No / 4% n/a				53
	d) Healthcare?	Yes	New	New	45% Yes / 55% No / 0% n/a					11	35% Yes / 58% No / 6% n/a				29
	e) Changes to benefits?	Yes	New	New	45% Yes / 55% No / 0% n/a					11	35% Yes / 61% No / 3% n/a				30
	f) Other? (Please describe)	Yes	No	No	80% Yes / 20% No / 0% n/a					15	60% Yes / 33% No / 7% n/a				51

Survey Question	Your Response			Peers 2014					All Participants 2014						
	2014	2013	2012	Max	Med	Min	Avg	#	Max	Med	Min	Avg	#		
<u>LAYOFF, DISABILITY, SOCIAL SECURITY, DEFERRED COMP PRESENTATIONS</u>															
71 Do you offer presentations after normal working hours such as evenings and/or weekends?	Yes	Yes	Yes	100% Yes / 0% No / 0% n/a					15	91% Yes / 5% No / 4% n/a					53
72 Do you review presenters for coaching purposes on a regular and recurring basis? [As opposed to intermittent or only while training new presenters, etc.] <b>Activity 2e - Written Pension Estimates</b>	Yes	Yes	Yes	93% Yes / 7% No / 0% n/a					15	82% Yes / 15% No / 4% n/a					53
73 Do you offer written pension estimates to members? If no, go directly to question 80.	Yes	Yes	Yes	100% Yes / 0% No / 0% n/a					15	100% Yes / 0% No / 0% n/a					55
74 How many written pension estimates did you mail out pursuant to individual member requests? [Exclude estimates prepared during counseling sessions and not mailed in advance.]	22,806	19,120	19,630	150,240	22,161	1,811	29,482	15	150,240	7,229	257	16,107	55		
75 When a member requests multiple different estimate scenarios, do you count each scenario as an 'estimate' or do you count the 'multiple request' as a single estimate? a) If you count each scenario, what is the approximate average number of scenarios per request by a member?	Each Scenario	Each Scenario	Each Scenario	73% Each Scenario / 27% Single Estimate					15	58% Each Scenario / 42% Single Estimate					55
	1	1	1	15	2	1	3	11	15	2	1	2	32		
76 On average, how many business days does it take to provide a written pension estimate from the time of initial request from a member? [Exclude time in the mail.] a) Is this a number you regularly measure and track (versus an estimate)?	13	21	11	48	8	0	13	15	48	7	0	10	55		
	Yes	Yes	Yes	93% Yes / 7% No / 0% n/a					15	89% Yes / 11% No / 0% n/a					55
77 Can members request and obtain a written pension estimate at any time during their career? [As opposed to, for example, requiring that the member be within a certain time period of earliest potential retirement before they can request a pension estimate.] a) If no: describe the time constraint? <u>Not earlier than 13 months prior to earliest possible retirement date.</u> <u>Online pension estimate calculator available for anytime during their career.</u>	No	No	No	73% Yes / 27% No / 0% n/a					15	84% Yes / 16% No / 0% n/a					55
78 Do you place a limit on the number of written pension estimates that a member can request? a) If yes, describe the limit? <u>n/a</u>	No	No	No	13% Yes / 87% No / 0% n/a					15	22% Yes / 78% No / 0% n/a					55
79 Do your written pension estimates (including cover letters, etc. sent with the estimate):															

Survey Question	Your Response			Peers 2014					All Participants 2014						
	2014	2013	2012	Max	Med	Min	Avg	#	Max	Med	Min	Avg	#		
a) Clearly address if and how the pension is inflation protected (or not protected)?	Yes	Yes	Yes	60% Yes / 40% No / 0% n/a					15	62% Yes / 38% No / 0% n/a					55
b) If your pension is coordinated with or reduced by social security (or CPP in Canada) is the impact explained?	Yes	Yes	Yes	33% Yes / 20% No / 47% n/a					8	50% Yes / 19% No / 31% n/a					33
c) Discuss alternative scenarios that could improve the pension such as purchasing service credit or working longer?	Yes	Yes	Yes	87% Yes / 13% No / 0% n/a					15	73% Yes / 27% No / 0% n/a					55
d) Model alternative retirement payment options?	Yes	Yes	Yes	100% Yes / 0% No / 0% n/a					15	89% Yes / 11% No / 0% n/a					55
<b>Activity 2f Mass Communication: (i) Website</b>															
80 Are all, most or some of your forms available online for either completion or downloading?	Some	New	New	55% All / 9% Some / 36% Most					11	45% All / 19% Some / 35% Most					31
81 Does your website have a secure member area where members can access their own data?	No	No	No	93% Yes / 7% No / 0% n/a					15	95% Yes / 5% No / 0% n/a					55
If yes:															
a) How many unique members accessed the secure member area? [Count a member only once even if he visited multiple times.]	n/a	n/a	n/a	237,964	110,735	21,780	126,179	12	338,152	58,160	5,125	90,207	41		
b) How many visits in total were there by members to the secure member area? [Count each visit even if the same member visits multiple times.]	n/a	n/a	n/a	1,880,171	755,504	81,874	733,166	13	1,880,171	199,707	10,091	480,521	50		
c) If a member wants to register for the first time, does he/she have to wait for a password in the mail?	n/a	n/a	n/a	33% Yes / 60% No / 7% n/a					14	13% Yes / 82% No / 5% n/a					52
d) Do you welcome the member by name on the home page of the secure member area?	n/a	n/a	n/a	87% Yes / 7% No / 7% n/a					14	80% Yes / 15% No / 5% n/a					52
e) Are users required to acknowledge a disclaimer every time they log in?	n/a	n/a	n/a	20% Yes / 73% No / 7% n/a					14	18% Yes / 76% No / 5% n/a					52
f) Are users required to acknowledge a disclaimer every time they generate a pension estimate?	n/a	n/a	n/a	33% Yes / 53% No / 13% n/a					13	25% Yes / 64% No / 11% n/a					49
g) Do inactive members have access to the secure member area?	n/a	n/a	n/a	80% Yes / 13% No / 7% n/a					14	78% Yes / 16% No / 5% n/a					52
82 Indicate whether the following capabilities are available on your website and provide volumes:															
a) Benefit calculator in non-secure area?	Yes	Yes	Yes	67% Yes / 33% No / 0% n/a					15	51% Yes / 49% No / 0% n/a					55
b) Benefit calculator in secure area not linked to member data?	No	No	No	20% Yes / 80% No / 0% n/a					15	11% Yes / 89% No / 0% n/a					55
c) Benefit calculator in secure area linked to member's salary and service data?	No	No	No	80% Yes / 20% No / 0% n/a					15	82% Yes / 18% No / 0% n/a					55
d) Service credit purchase calculator?	Yes	Yes	Yes	73% Yes / 27% No / 0% n/a					15	71% Yes / 29% No / 0% n/a					48
e) Register for 1-on-1 counseling sessions?	No	No	New	47% Yes / 47% No / 7% n/a					14	35% Yes / 64% No / 2% n/a					54
If yes:															
e1) Does the member have real-time access to available dates and times?	n/a	n/a	New	47% Yes / 0% No / 53% n/a					7	25% Yes / 7% No / 67% n/a					18
f) Register for presentations?	Yes	Yes	New	73% Yes / 20% No / 7% n/a					14	56% Yes / 38% No / 5% n/a					52

Survey Question	Your Response			Peers 2014					All Participants 2014						
	2014	2013	2012	Max	Med	Min	Avg	#	Max	Med	Min	Avg	#		
g) Live chat?	No	New	New	0% Yes / 100% No / 0% n/a					11	6% Yes / 87% No / 6% n/a					29
h) Change address?	No	No	No	80% Yes / 20% No / 0% n/a					15	83% Yes / 17% No / 0% n/a					48
i) Change beneficiary?	No	No	No	47% Yes / 53% No / 0% n/a					15	46% Yes / 54% No / 0% n/a					48
j) Change email address?	No	New	New	73% Yes / 27% No / 0% n/a					11	74% Yes / 26% No / 0% n/a					31
k) Reset password?	No	New	New	73% Yes / 18% No / 9% n/a					10	71% Yes / 26% No / 3% n/a					30
l) Change banking information for direct deposit?	No	No	No	60% Yes / 40% No / 0% n/a					15	48% Yes / 52% No / 0% n/a					48
m) Change tax withholding amount?	No	No	No	73% Yes / 27% No / 0% n/a					15	51% Yes / 49% No / 0% n/a					55
n) Download or print duplicate tax receipts? [i.e., 1099s in the U.S.]	No	No	No	87% Yes / 13% No / 0% n/a					15	67% Yes / 33% No / 0% n/a					55
o) View pension payment details? [i.e., gross amounts, deductions]	No	No	No	93% Yes / 7% No / 0% n/a					15	75% Yes / 25% No / 0% n/a					55
p) Initiate a retirement application?	No	No	No	67% Yes / 33% No / 0% n/a					15	42% Yes / 58% No / 0% n/a					55
If yes:															
p1) Does the online application provide an estimate, final value or neither of the annuity payment the member will receive?	n/a	n/a	n/a	33% Neither / 33% Estimate / 33% n/a					10	2% Final / 22% Neither / 18% Est/ 58% n/a					23
p2) Approximately what % of retirements initiated online require follow-up documents or signatures to be mailed in?	n/a	New	New	100.0%	81.7%	18.0%	68.7%	6	100.0%	99.7%	0.0%	64.8%	11		
q) View status of online retirement application?	n/a	n/a	New	40% Yes / 27% No / 33% n/a					10	20% Yes / 22% No / 58% n/a					23
r) Apply for a refund or transfer-out?	No	New	New	27% Yes / 73% No / 0% n/a					11	16% Yes / 77% No / 6% n/a					29
s) Digital file including history of recent correspondence and member documents?	No	New	New	36% Yes / 64% No / 0% n/a					11	19% Yes / 74% No / 6% n/a					29
t) Download member statement? [i.e., Adobe format]	No	No	No	80% Yes / 20% No / 0% n/a					15	85% Yes / 13% No / 2% n/a					54
u) Upload documents (such as birth certificates)?	No	No	New	33% Yes / 67% No / 0% n/a					15	18% Yes / 80% No / 2% n/a					54
v) View pensionable earnings and/or service without downloading?	No	No	No	80% Yes / 20% No / 0% n/a					15	84% Yes / 15% No / 2% n/a					54
If yes:															
v1) Are both salary and service data available?	n/a	n/a	n/a	80% Yes / 0% No / 20% n/a					12	80% Yes / 4% No / 16% n/a					46
v2) Is online data up-to-date to the most recent pay period?	n/a	n/a	n/a	67% Yes / 13% No / 20% n/a					12	62% Yes / 22% No / 16% n/a					46
v3) Is a complete annual history from the beginning of employment provided?	n/a	n/a	n/a	53% Yes / 27% No / 20% n/a					12	53% Yes / 31% No / 16% n/a					46
w) If you administer a core DC or hybrid DB/ DC plan:															
w1) Switch between investment options?	n/a	n/a	n/a	40% Yes / 13% No / 47% n/a					8	21% Yes / 6% No / 73% n/a					13
w2) Change deferral percentage selections for regular contributions?	n/a	n/a	n/a	20% Yes / 33% No / 47% n/a					8	6% Yes / 21% No / 73% n/a					13
w3) Initiate withdrawals?	n/a	n/a	n/a	13% Yes / 40% No / 47% n/a					8	6% Yes / 21% No / 73% n/a					13
w4) View current valuation of their account?	n/a	n/a	n/a	47% Yes / 7% No / 47% n/a					8	21% Yes / 6% No / 73% n/a					13
If yes, volume?															
a) Benefit calculator in non-secure area?	226,943	202,500	162,144	461,913	145,681	841	182,587	10	1,300,000	57,461	841	148,788	28		

Survey Question	Your Response			Peers 2014					All Participants 2014				
	2014	2013	2012	Max	Med	Min	Avg	#	Max	Med	Min	Avg	#
b) Benefit calculator in secure area not linked to member data?	n/a	n/a	n/a	33,493	6,897	2,265	14,218	3	36,733	18,677	2,265	19,457	6
c) Benefit calculator in secure area linked to member's salary and service data?	n/a	n/a	n/a	622,728	149,230	22,775	213,116	12	1,913,947	102,679	8,802	200,857	45
d) Service credit purchase calculator?	3,399	2,497	1,665	111,420	13,175	604	26,507	11	111,420	12,978	525	20,415	34
e) Register for 1-on-1 counseling sessions?	n/a	n/a	New	3,350	2,353	195	2,026	7	18,157	2,032	50	3,662	17
f) Register for presentations?	10,239	1,544	New	13,924	7,445	1,059	6,814	11	13,924	3,963	50	4,605	30
g) Live chat?	n/a	New	New	n/a	n/a	n/a	n/a	0	2,650	1,579	507	1,579	2
h) Change address?	n/a	n/a	n/a	48,940	10,665	4,199	15,478	12	71,222	8,696	529	12,307	40
i) Change beneficiary?	n/a	n/a	n/a	72,522	9,059	4,449	23,149	7	246,898	10,081	186	32,690	22
j) Change email address?	n/a	New	New	60,800	10,539	5,882	27,542	5	60,800	6,345	170	12,159	18
k) Reset password?	n/a	New	New	205,704	101,811	2,209	102,884	4	205,704	28,271	1,270	55,721	16
l) Change banking information for direct deposit?	n/a	n/a	n/a	19,282	2,959	865	4,819	9	30,405	1,505	12	4,848	23
m) Change tax withholding amount?	n/a	n/a	n/a	35,380	3,774	685	7,445	11	105,949	2,500	254	8,532	28
n) Download or print duplicate tax receipts? [i.e., 1099s in the U.S.]	n/a	n/a	n/a	66,844	16,218	2,210	23,706	13	74,433	13,519	296	18,056	36
o) View pension payment details? [i.e., gross amounts, deductions]	n/a	n/a	n/a	473,777	47,770	6,751	110,333	14	858,765	24,292	0	90,393	42
p) Initiate a retirement application?	n/a	n/a	n/a	11,750	3,474	714	3,944	9	11,750	1,759	91	3,033	20
q) View status of online retirement application?	n/a	n/a	New	53,292	18,568	1,452	22,970	4	53,292	4,405	1,452	15,768	7
r) Apply for a refund or transfer-out?	n/a	New	New	3,031	942	49	1,341	3	3,412	1,396	49	1,766	5
s) Digital file including history of recent correspondence and member documents?	n/a	New	New	201,422	201,422	201,422	201,422	1	201,422	188,731	1,461	130,538	3
t) Download member statement? [i.e., Adobe format]	n/a	n/a	n/a	273,908	82,829	6,187	95,974	12	742,031	51,481	0	82,764	47
u) Upload documents (such as birth certificates)?	n/a	n/a	New	4,317	163	4	1,162	4	10,416	166	4	2,531	7
v) View pensionable earnings and/or service without downloading?	n/a	n/a	n/a	1,056,642	241,125	30,321	318,003	12	1,686,333	139,444	3,151	235,760	46
w) If you administer a core DC or hybrid DB/ DC plan:													
w1) Switch between investment options?	n/a	n/a	n/a	17,440	4,127	25	7,290	5	17,440	1,416	25	4,429	9
w2) Change deferral percentage selections for regular contributions?	n/a	n/a	n/a	3,913	2,278	643	2,278	2	3,913	2,278	643	2,278	2
w3) Initiate withdrawals?	n/a	n/a	n/a	3,031	3,031	3,031	3,031	1	3,031	2,504	1,976	2,504	2
w4) View current valuation of their account?	n/a	n/a	n/a	827,250	112,778	7,096	262,030	5	827,250	73,159	155	178,433	8
83 What was the percentage "down-time" when your website was unavailable last year due to:													
a) Technical problems or other unplanned circumstances which resulted in members being unable to access your website?	0.0%	New	New	100.0%	0.2%	0.0%	19.4%	11	100.0%	0.4%	0.0%	11.5%	31
b) Scheduled maintenance?	0.0%	New	New	100.0%	1.0%	0.0%	20.5%	11	100.0%	1.0%	0.0%	12.2%	31
<a href="#">Videos</a>													

Survey Question	Your Response			Peers 2014					All Participants 2014						
	2014	2013	2012	Max	Med	Min	Avg	#	Max	Med	Min	Avg	#		
84 Do you have videos that members can access online? If yes: a) How many different videos do you have for members online? During your most recent fiscal year: b) What was the total number of new views for all streamed videos? c) What was the total number of downloads for all downloadable videos?	Yes	New	New	91% Yes / 9% No / 0% n/a					11	81% Yes / 19% No / 0% n/a					31
a) How many different videos do you have for members online? During your most recent fiscal year: b) What was the total number of new views for all streamed videos?	29	New	New	387	11	1	49	10	387	14	1	41	25		
c) What was the total number of downloads for all downloadable videos?	38,554	New	New	38,554	3,077	0	8,010	7	72,254	4,398	0	11,627	19		
<b>Activity 2f Mass Communication: (ii) News and Targeted Communication</b>	Unknown	New	New	16	8	0	8	2	16	0	0	3	8		
85 What % of email addresses do you have in your system for the following groups: a) Active members? b) Inactive members? c) Annuitants?	0.0%	0.0%	New	86.0%	38.6%	0.0%	39.5%	15	100.0%	38.6%	0.0%	38.8%	53		
	0.0%	0.0%	New	45.0%	17.0%	0.0%	16.9%	15	49.0%	11.0%	0.0%	15.4%	50		
	0.0%	0.0%	New	76.0%	35.8%	0.0%	36.7%	15	85.5%	24.8%	0.0%	29.4%	52		
86 Indicate whether you sent newsletters or news magazines (in either electronic or paper format) last year to any of the following member segments, and if yes, the number of times it was sent and the approximate % sent electronically. Only indicate 'yes' if the newsletter was customized for and only sent to members in the segment:  Target segment a) All members (active, inactive and annuitants)? b) Active members only? c) Inactive members only? d) Annuitants only? e) Age segments (i.e., under 35, 35-50, 50 plus)? f) Women only or men only? g) Employer or employment category (i.e., a different newsletter for teachers vs. bus drivers)? h) Other? (describe your other newsletter segments below)	No	New	New	27% Yes / 73% No / 0% n/a					11	31% Yes / 66% No / 3% n/a					31
	No	New	New	55% Yes / 45% No / 0% n/a					11	53% Yes / 47% No / 0% n/a					32
	Yes	New	New	9% Yes / 91% No / 0% n/a					11	13% Yes / 88% No / 0% n/a					32
	No	New	New	82% Yes / 18% No / 0% n/a					11	66% Yes / 34% No / 0% n/a					32
	No	New	New	18% Yes / 82% No / 0% n/a					11	10% Yes / 87% No / 3% n/a					30
	No	New	New	0% Yes / 100% No / 0% n/a					11	0% Yes / 97% No / 3% n/a					30
	No	New	New	45% Yes / 55% No / 0% n/a					11	32% Yes / 65% No / 3% n/a					30
	Yes	New	New	55% Yes / 45% No / 0% n/a					11	26% Yes / 58% No / 16% n/a					26

Survey Question	Your Response			Peers 2014					All Participants 2014				
	2014	2013	2012	Max	Med	Min	Avg	#	Max	Med	Min	Avg	#
<u>We have two different newsletters (WRS News and It's Your Benefit) that target both actives and annuitants; excluding inactive. Newsletters for actives are sent in two ways: electronically via e-mail through ETF managed employer e-mail list and in print for distribution through employers. Newsletters for annuitants are printed and sent via U.S. postal mail. In 2015, we will move all actives to an electronic-only newsletter and continue a separate print newsletter for annuitants. The percentage of newsletters sent via e-mail represents the number of actives whose employers have opted to go paperless.</u>													
If yes, # of times you sent last year?													
a) All members (active, inactive and annuitants)?	n/a	New	New	17	1	1	6	3	17	3	1	4	10
b) Active members only?	n/a	New	New	21	3	2	6	6	21	3	1	4	17
c) Inactive members only?	1	New	New	1	1	1	1	1	4	1	1	2	4
d) Annuitants only?	n/a	New	New	3	2	2	2	9	4	2	2	3	21
e) Age segments (i.e., under 35, 35-50, 50 plus)?	n/a	New	New	4	3	2	3	2	7	4	2	4	3
f) Women only or men only?	n/a	New	New	n/a	n/a	n/a	n/a	0	n/a	n/a	n/a	n/a	0
g) Employer or employment category (i.e., a different newsletter for teachers vs. bus drivers)?	n/a	New	New	26	6	2	10	5	26	6	2	8	10
h) Other? (describe your other newsletter segments below)	4	New	New	11	4	2	5	6	14	4	2	5	8
Approx. % sent by email													
a) All members (active, inactive and annuitants)?	n/a	New	New	65.0%	0.0%	0.0%	21.7%	3	65.0%	1.0%	0.0%	24.5%	9
b) Active members only?	n/a	New	New	100.0%	15.0%	0.0%	33.7%	9	100.0%	10.4%	0.0%	35.1%	34
c) Inactive members only?	0.0%	New	New	0.0%	0.0%	0.0%	0.0%	1	37.6%	0.0%	0.0%	9.4%	4
d) Annuitants only?	n/a	New	New	99.0%	0.0%	0.0%	18.4%	9	100.0%	0.0%	0.0%	21.1%	20
e) Age segments (i.e., under 35, 35-50, 50 plus)?	n/a	New	New	36.0%	35.0%	34.0%	35.0%	2	100.0%	36.0%	34.0%	56.7%	3
f) Women only or men only?	n/a	New	New	n/a	n/a	n/a	n/a	0	n/a	n/a	n/a	n/a	0
g) Employer or employment category (i.e., a different newsletter for teachers vs. bus drivers)?	n/a	New	New	100.0%	100.0%	0.0%	80.0%	5	100.0%	100.0%	0.0%	90.0%	10
h) Other? (describe your other newsletter segments below)	31.0%	New	New	100.0%	74.5%	0.0%	63.3%	6	100.0%	95.0%	0.0%	72.5%	8
87	Indicate the approximate percentage breakdown of how you send newsletters to active members:												
a) Directed through the employer?	100.0%	100.0%	100.0%	100.0%	0.0%	0.0%	34.4%	14	100.0%	0.0%	0.0%	17.5%	51
b) Mailed directly to members' homes?	0.0%	0.0%	0.0%	100.0%	87.0%	0.0%	57.6%	14	100.0%	85.0%	0.0%	56.8%	51
<u>Member Statement</u>													
89	How many times per year (annually = 1, every 2nd year = 0.5, every 3 years = 0.33, every 5 years = 0.2) do you send member statements to:												

Survey Question	Your Response			Peers 2014					All Participants 2014				
	2014	2013	2012	Max	Med	Min	Avg	#	Max	Med	Min	Avg	#
a) Active members?	1	1	1	4	1	1	1	15	5	1	0	1	55
b) Inactive members?	1	1	1	4	1	0	1	15	5	1	0	1	55
90 Approximately what % of members complain about the accuracy of data in their member statements?	0.9%	Unknown	Unknown	2.0%	0.2%	0.0%	0.6%	15	2.0%	0.1%	0.0%	0.5%	54
91 Indicate the approximate percentage breakdown of how you send member statements to active members:													
a) Directed through the employer?	72.0%	75.0%	76.0%	100.0%	0.0%	0.0%	16.9%	15	100.0%	0.0%	0.0%	11.8%	52
b) Mailed directly to members' homes?	16.0%	13.0%	13.0%	100.0%	88.6%	0.0%	54.1%	15	100.0%	94.5%	0.0%	66.9%	52
c) Email or other electronic notice to members that the statement is available in the secure member area?	12.0%	12.0%	0.0%	100.0%	11.0%	0.0%	26.9%	15	100.0%	3.9%	0.0%	22.7%	51
92 On average, how current is an active member's data in the statements that the member receives (in months)? [For example, if statements with data current to December 31st are mailed in a staggered mailing beginning May 1st and finishing June 30th, then the members are receiving data that is between 4 and 6 months old. or 5 months old on average.]	3	3	3	5	2	0	2	15	12	3	0	3	53
93 Do your statements for active members include:													
a) Total accumulated service credit?	Yes	Yes	Yes	100% Yes / 0% No / 0% n/a				15	87% Yes / 7% No / 5% n/a				52
b) Pensionable earnings?	Yes	Yes	Yes	87% Yes / 13% No / 0% n/a				15	85% Yes / 11% No / 4% n/a				53
c) A historical summary of salary and service credit earned each year?	No	No	No	47% Yes / 53% No / 0% n/a				15	27% Yes / 69% No / 4% n/a				53
d) The refund value if you left at the statement date?	Yes	Yes	Yes	93% Yes / 7% No / 0% n/a				15	65% Yes / 31% No / 4% n/a				53
e) An estimate of the future pension entitlement (or in Australia, the lump sum benefit payout at retirement) based on age scenario modeling or assuming the member continues to work until earliest possible retirement?	Yes	Yes	Yes	67% Yes / 33% No / 0% n/a				15	82% Yes / 15% No / 4% n/a				53
<u>Mass Communication Other</u>													
94 Are new members issued a 'welcome' kit describing their benefits?	Yes	Yes	Yes	100% Yes / 0% No / 0% n/a				15	89% Yes / 11% No / 0% n/a				55
If yes:													
a) Does it include a personalized letter addressing the new member by name?	No	New	New	64% Yes / 36% No / 0% n/a				11	48% Yes / 35% No / 16% n/a				26
95 Do you send your members a general brochure with a summary of the benefits every year in either paper or email format?	No	No	No	20% Yes / 80% No / 0% n/a				15	25% Yes / 75% No / 0% n/a				55
96 Do you send an annual report or summary annual report, in either paper or electronic format, to members?	No	New	New	58% Yes / 42% No / 0% n/a				12	64% Yes / 34% No / 2% n/a				43
If yes:													
a) Are you required to do so by law?	n/a	New	New	9% Yes / 45% No / 45% n/a				6	13% Yes / 35% No / 52% n/a				15

Survey Question		Your Response			Peers 2014					All Participants 2014						
		2014	2013	2012	Max	Med	Min	Avg	#	Max	Med	Min	Avg	#		
	b) Do you send the complete annual report or a summary report?	n/a	New	New	50% Summary / 8% Both / 42% n/a					7	59% Summary / 5% Both / 36% n/a					28
97	Do you automatically send targeted letters or emails addressed to members by name triggered by the following milestones:															
	a) Vested for pension benefits (if member is not vested immediately)?	No	No	No	27% Yes / 73% No / 0% n/a					15	27% Yes / 65% No / 8% n/a					44
	b) Vested for disability benefits (if member is not vested immediately)?	No	No	No	20% Yes / 80% No / 0% n/a					15	13% Yes / 75% No / 13% n/a					42
	c) Expiration of disability benefits (i.e., after exiting employment)?	Yes	New	New	45% Yes / 55% No / 0% n/a					11	19% Yes / 71% No / 10% n/a					28
	d) Approaching eligibility, or becoming eligible, for retirement?	No	New	New	27% Yes / 73% No / 0% n/a					11	26% Yes / 74% No / 0% n/a					31
	e) Eligibility or likely eligibility, to purchase service credit?	No	New	New	18% Yes / 82% No / 0% n/a					11	13% Yes / 87% No / 0% n/a					31
	f) Missing beneficiary?	No	New	New	27% Yes / 73% No / 0% n/a					11	19% Yes / 81% No / 0% n/a					31
	g) Missing email address?	No	New	New	0% Yes / 100% No / 0% n/a					11	3% Yes / 97% No / 0% n/a					31
	h) Never visited the secure member area?	No	New	New	9% Yes / 91% No / 0% n/a					11	6% Yes / 87% No / 6% n/a					29
	i) Other milestone communication? (describe below)	Yes	Yes	Yes	73% Yes / 27% No / 0% n/a					15	75% Yes / 24% No / 2% n/a					54
	<u>Inactive members reaching age 69.5 and 70.5 to accommodate federal minimum distribution rules.</u>															
98	Do you actively solicit member feedback on your publications through:															
	a) Focus groups?	No	No	No	20% Yes / 80% No / 0% n/a					15	35% Yes / 65% No / 0% n/a					55
	b) Tear out surveys or feedback cards in the publications themselves?	No	No	No	0% Yes / 100% No / 0% n/a					15	15% Yes / 85% No / 0% n/a					55
	c) Surveys sent to members who request a publication?	No	No	No	7% Yes / 93% No / 0% n/a					15	11% Yes / 89% No / 0% n/a					55
	d) Other (describe)?	Yes	Yes	Yes	53% Yes / 47% No / 0% n/a					15	49% Yes / 45% No / 5% n/a					52
	<u>ETF provides an e-mail address for members to send inquiries to newsletter editor.</u>															
99	Do you publish any of the following materials in a language other than English (or other than French in Quebec and France), or in Braille:															
	a) Member statements?	No	No	No	0% Yes / 100% No / 0% n/a					15	18% Yes / 80% No / 2% n/a					54
	b) Annual report?	No	No	No	0% Yes / 100% No / 0% n/a					15	29% Yes / 69% No / 2% n/a					54
	c) Newsletters?	No	No	No	0% Yes / 100% No / 0% n/a					15	20% Yes / 78% No / 2% n/a					54
	d) Website?	No	No	No	13% Yes / 87% No / 0% n/a					15	29% Yes / 69% No / 2% n/a					54
	e) Brochures and pamphlets?	No	No	No	20% Yes / 80% No / 0% n/a					15	35% Yes / 64% No / 2% n/a					54
	<u>New Media and Other</u>															
100	Do you have a Facebook site?	No	No	New	60% Yes / 40% No / 0% n/a					15	44% Yes / 56% No / 0% n/a					55
	If yes:															
	a) How often do you update your site?	n/a	n/a	New	250	104	3	137	9	250	52	3	115	24		

Survey Question		Your Response			Peers 2014					All Participants 2014				
		2014	2013	2012	Max	Med	Min	Avg	#	Max	Med	Min	Avg	#
	b) How many "likes" do you have?	n/a	New	New	6,401	755	623	1,947	5	10,592	992	229	2,807	14
101	Do you have a Twitter account? If yes: a) How many tweets did you post last year? b) How many followers do you have?	No	No	New	47% Yes / 53% No / 0% n/a				15	45% Yes / 55% No / 0% n/a				55
	a) How many tweets did you post last year?	n/a	n/a	New	3,200	96	4	557	7	3,600	120	0	425	25
	b) How many followers do you have?	n/a	n/a	New	2,228	387	77	868	7	9,997	387	0	1,025	25
102	Do you have a mobile app? If yes: a) Does your app contain information that is linked to the member's data?	No	No	New	0% Yes / 100% No / 0% n/a				15	7% Yes / 93% No / 0% n/a				55
	a) Does your app contain information that is linked to the member's data?	n/a	n/a	New	0% Yes / 7% No / 93% n/a				1	0% Yes / 13% No / 87% n/a				7
103	Do you have a mobile version of your website, i.e. a version of your website designed specifically for smart phones and tablets? If yes: a) Can members access their own data via the mobile version of your website?	No	New	New	40% Yes / 60% No / 0% n/a				15	25% Yes / 75% No / 0% n/a				55
	a) Can members access their own data via the mobile version of your website?	n/a	New	New	29% Yes / 7% No / 64% n/a				5	15% Yes / 15% No / 70% n/a				16
	<b>Activity 3 Collections and Data Maintenance</b>													
104	Number of: a) Employers at the end of your fiscal year? b) Employers that joined your system during the fiscal year? c) Employers that exited your system during the fiscal year?	1,479	1,509	1,480	3,260	1,319	584	1,573	15	151,011	789	1	5,042	55
	a) Employers at the end of your fiscal year?	1,479	1,509	1,480	3,260	1,319	584	1,573	15	151,011	789	1	5,042	55
	b) Employers that joined your system during the fiscal year?	2	6	10	74	8	0	16	15	26,513	3	0	589	55
	c) Employers that exited your system during the fiscal year?	1	1	4	24	5	0	9	15	18,201	3	0	453	55
105	How many 'collection points' (i.e., employers, state agencies, departments and/or service providers etc) do you deal with for collecting: a) Member payroll data? b) Money (i.e., contributions)? [Your number of 'collection points' could be less than your number of employers if, for example, some of your payroll data comes from a central agency that processes payroll data from numerous employers and then provides it to you in a consolidated, integrated format.]	1,479	1,509	1,480	3,074	1,179	92	1,429	15	30,552	616	1	1,684	55
	a) Member payroll data?	1,479	1,509	1,480	3,074	1,179	92	1,429	15	30,552	616	1	1,684	55
	b) Money (i.e., contributions)?	1,479	1,509	1,480	3,074	1,165	92	1,408	15	33,513	676	1	2,084	55
106	How many 'reconciliation points' (i.e., employers, state agencies, departments and/or service providers, etc.) do you deal with when: a) Validating member data? b) Reconciling money issues (i.e., contributions)?	1,480	1,509	1,480	3,074	1,319	2	1,511	15	125,000	789	1	4,040	55
	a) Validating member data?	1,480	1,509	1,480	3,074	1,319	2	1,511	15	125,000	789	1	4,040	55
	b) Reconciling money issues (i.e., contributions)?	1,480	1,509	1,480	3,074	1,179	92	1,437	15	125,000	764	1	4,382	55

Survey Question	Your Response			Peers 2014					All Participants 2014				
	2014	2013	2012	Max	Med	Min	Avg	#	Max	Med	Min	Avg	#
[For most systems, the number of 'reconciliation points' will be the same as the number of 'collection points' per question 105 immediately above. But they could be different. For example, MOSERS has 1 primary collection point - the Office of Administration. The Office of Administration does not check to see if employers have sent the correct amount. MOSERS has to go back to the individual payroll offices at each employer to reconcile money problems and validate data.]													
107 What is the breakdown of 'collection points' providing you with payroll data between the following formats and what is the total number of active members covered by each format? a) 100% electronic? [No manual steps required unless there are errors.]	0	0	0	2,956	848	0	1,277	15	30,552	450	0	1,474	55
b) Mostly electronic? [For example, some systems receive files by internet and then must manually start a program that uploads the file.]	1,480	1,509	1,480	1,480	0	0	128	15	2,367	0	0	183	55
c) Computer readable? [i.e., via computer tape or disk]	0	0	0	0	0	0	0	15	1,504	0	0	29	55
d) Paper?	0	0	0	366	0	0	47	15	1,900	0	0	55	55
Total # of active members													
a) 100% electronic? [No manual steps required unless there are errors.]	0.0k	0.0k	0.0k	524.0k	217.0k	0.0k	239.3k	15	91,412.0k	156.5k	0.0k	3,285.9k	55
b) Mostly electronic? [For example, some systems receive files by internet and then must manually start a program that uploads the file.]	256,788.0k	256.8k	257.0k	256,788.0k	0.0k	0.0k	17,138.9k	15	256,788.0k	0.0k	0.0k	5,159.4k	54
c) Computer readable? [i.e., via computer tape or disk]	0.0k	0.0k	0.0k	0.0k	0.0k	0.0k	0.0k	15	1,141.0k	0.0k	0.0k	34.1k	53
d) Paper?	0.0k	0.0k	0.0k	5.5k	0.0k	0.0k	0.5k	15	36.0k	0.0k	0.0k	1.3k	53
108 How many warrants of execution or court orders did you obtain against delinquent employers?	0	0	0	148	0	0	10	15	33,117	0	0	804	55
109 What % of your active and inactive member online records are complete and accurate? [For example, you don't have to double check paper records or check non-recent data with employers prior to incepting a pension. Online data may be inaccurate because of poor collection processes, or poor transfer of paper records in the past, or merging in new employers with had data etc ]	95.0%	95.0%	95.0%	100.0%	95.0%	65.0%	92.3%	15	100.0%	95.0%	65.0%	92.9%	55
110 Do you actively keep track of the addresses of inactive members?	Yes	Yes	Yes	93% Yes / 7% No / 0% n/a				15	76% Yes / 24% No / 0% n/a				55
111 Do you have a diagnostic software system for detecting and correcting contribution errors?	No	No	No	93% Yes / 7% No / 0% n/a				15	87% Yes / 13% No / 0% n/a				55

Survey Question	Your Response			Peers 2014					All Participants 2014				
	2014	2013	2012	Max	Med	Min	Avg	#	Max	Med	Min	Avg	#
112 When you get an address change, how many systems do you need to update? <b>Activity 3b - Service to Employers</b>	6	6	9	6	1	1	2	15	6	1	1	1	55
113 Number of:													
a) Incoming calls from employers?	8,878	12,019	16,601	67,203	16,375	7,680	22,129	15	210,476	8,565	0	18,022	55
b) Email queries from employers?	315	360	574	119,610	11,871	315	23,414	15	370,618	4,809	0	18,647	55
c) Conferences for employers (conferences must span more than half a day and typically involve multiple presentations)? [For example, some administrators with multiple employers host an annual conference to update the employers on trends, regulation, legislation, and new services that might affect their pension plan].	14	30	90	25	0	0	3	15	74	0	0	4	55
d) Presentations given to employers such as orientation workshops or seminars on benefit changes, etc. (do not include presentations given at conferences)?	67	43	72	113	36	4	44	15	580	22	0	54	55
e) On-site reviews (or audits or inspections) of your employers? [For example, several systems perform reviews of their employers that have problems providing data and or contributions on a timely basis to ensure that they are correctly fulfilling their obligations to their members.]	0	0	0	782	5	0	96	15	4,923	0	0	146	55
f) Other site visits to employers (exclude 'd' and 'e' above)?	6	1	0	206	6	0	36	15	3,547	2	0	206	55
114 Do you have an employer targeted section on your website or a separate website for your employers? [Do not include PDF documents.]	Yes	Yes	Yes	100% Yes / 0% No / 0% n/a				15	89% Yes / 9% No / 2% n/a				54
115 Do you have online videos targeted for employers?	No	New	New	55% Yes / 45% No / 0% n/a				11	52% Yes / 45% No / 3% n/a				30
116 How many different types of presentations did you give to employers?  Describe the topic for each different presentation type given to employers below: <u>USERRA</u> <u>Rehired annuitants</u> <u>Monthly remittance reporting</u> <u>Periodic reporting</u> <u>WRS eligibility</u> <u>Late reported earnings</u> <u>Annual reconciliation</u> <u>Workers Compensation</u> <u>Its Your Choice</u>	9	8	8	10	6	2	5	15	20	5	0	5	55

Survey Question	Your Response			Peers 2014					All Participants 2014						
	2014	2013	2012	Max	Med	Min	Avg	#	Max	Med	Min	Avg	#		
n/a															
117 Do you have a newsletter dedicated to employers that is different from the newsletter for members? a) If yes, how many times did you prepare and send an employer dedicated newsletter last year?	Yes	Yes	Yes	93% Yes / 7% No / 0% n/a					15	82% Yes / 16% No / 2% n/a					54
	28	31	33	28	12	0	11	15	28	4	0	7	55		
118 Do you have Service Level agreements with your employers that clarifies both your and the employer's service responsibilities and includes measurement and reporting vis-à-vis your responsibilities?	No	No	No	27% Yes / 73% No / 0% n/a					15	25% Yes / 73% No / 2% n/a					54
119 Do you offer and maintain generalized reporting software for your employer collection points? If yes: a) Is the application web-based? [i.e. You connect to it through a web browser] b) Can the software integrate both data collection and billing? c) Can it provide real-time error checking and feedback versus data previously submitted by the employer? [For example, can it identify an unusual increase in an employee's salary?]	Yes	Yes	Yes	100% Yes / 0% No / 0% n/a					15	85% Yes / 13% No / 2% n/a					54
	Yes	Yes	Yes	100% Yes / 0% No / 0% n/a					15	80% Yes / 5% No / 15% n/a					47
	No	No	No	87% Yes / 13% No / 0% n/a					15	55% Yes / 31% No / 15% n/a					47
	No	No	No	67% Yes / 33% No / 0% n/a					15	58% Yes / 27% No / 15% n/a					47
120 Do you maintain customized reporting software for any of your employer collection points? [For example, you may maintain customized reporting software for your largest employer.] <b>Activity 4 - Governance and Financial Control</b>	No	No	No	13% Yes / 87% No / 0% n/a					15	27% Yes / 69% No / 4% n/a					53
121 Indicate the oversight bodies that you reported to last year, and the number of meetings, excluding investment related meetings, that you participated in: a) Board of Trustees? b) Non-board legislative oversight committee? c) Advisory committee? d) Members' Council? e) Other (describe below)? <u>JL, TR, WR, DC</u>  # of meetings, including sub-committees, last year a) Board of Trustees? b) Non-board legislative oversight committee? c) Advisory committee? d) Members' Council? e) Other (describe below)?	Yes	Yes	Yes	80% Yes / 20% No / 0% n/a					15	87% Yes / 13% No / 0% n/a					55
	No	No	Yes	80% Yes / 20% No / 0% n/a					15	56% Yes / 44% No / 0% n/a					55
	Yes	Yes	Yes	47% Yes / 53% No / 0% n/a					15	33% Yes / 64% No / 4% n/a					53
	Yes	No	No	7% Yes / 93% No / 0% n/a					15	20% Yes / 76% No / 4% n/a					53
	Yes	Yes	Yes	40% Yes / 60% No / 0% n/a					15	47% Yes / 47% No / 5% n/a					52
	5	4	4	46	9	0	18	15	115	16	0	22	55		
	n/a	n/a	1	19	4	0	6	15	30	2	0	5	55		
	23	11	11	23	0	0	4	15	23	0	0	2	55		
	4	n/a	n/a	4	0	0	0	15	15	0	0	1	55		
	16	12	12	16	0	0	3	15	85	0	0	7	55		

Survey Question	Your Response			Peers 2014					All Participants 2014						
	2014	2013	2012	Max	Med	Min	Avg	#	Max	Med	Min	Avg	#		
122 Do you have back-up equipment and premises arranged for your operations if substantial damage occurs at your principal location?	Yes	Yes	Yes	100% Yes / 0% No / 0% n/a					15	100% Yes / 0% No / 0% n/a					55
123 Do you have an independent auditor that reviews and tests the disaster recovery plan?	No	No	No	60% Yes / 40% No / 0% n/a					15	62% Yes / 38% No / 0% n/a					55
124 If your principal location became inoperable due to some disaster (such as fire, tornado, etc), how long would it take, in business days, for you to:															
a) Continue paying pension payments to retirees?	5	5	5	5	1	0	2	15	5	1	0	2	55		
b) Begin doing new pension inceptions at normal volumes?	25	25	25	30	7	0	9	15	105	5	0	12	55		
c) Collect data and money from employers?	25	25	25	25	1	0	4	15	105	2	0	8	54		
d) Respond to member calls at close to current service levels?	3	3	3	22	3	0	5	15	105	3	0	9	55		
125 Did you have any material legislative changes or other unusual events that materially affected your costs and/ or service in the most recent fiscal year? a) If yes, describe: <u>ACT 20</u> <u>Satisfaction</u>	Yes	Yes	Yes	53% Yes / 47% No / 0% n/a					15	42% Yes / 58% No / 0% n/a					55
126 Did you do any satisfaction surveying in your most recently ended fiscal year? If yes, complete the table below for each activity that you surveyed.	Yes	Yes	Yes	100% Yes / 0% No / 0% n/a					15	95% Yes / 5% No / 0% n/a					55
<u>1-on-1 counseling</u>															
a) Did you survey satisfaction regarding this activity in your most recently ended fiscal year?	No	No	No	80% Yes / 20% No / 0% n/a					15	65% Yes / 25% No / 9% n/a					50
b) Did the survey focus primarily on this single activity? (versus including other activities)	n/a	n/a	n/a	67% Yes / 13% No / 20% n/a					12	51% Yes / 13% No / 36% n/a					35
c) What was the longest possible time in days between the activity and the survey?	n/a	n/a	n/a	90	4	0	15	12	365	6	0	33	36		
d) Is the survey delayed by at least 1 day from the date of the session?	n/a	New	New	27% Yes / 45% No / 27% n/a					8	29% Yes / 42% No / 29% n/a					22
e) How often did you survey about the activity?	n/a	n/a	n/a	250	250	4	210	12	250	250	1	178	36		
f) Can you break down the survey results by service agent?	n/a	n/a	n/a	60% Yes / 20% No / 20% n/a					12	42% Yes / 24% No / 35% n/a					36
g) Can you break down the survey results by topic covered?	n/a	New	New	27% Yes / 45% No / 27% n/a					8	26% Yes / 45% No / 29% n/a					22
<u>Member presentations</u>															
a) Did you survey satisfaction regarding this activity in your most recently ended fiscal year?	Yes	Yes	Yes	100% Yes / 0% No / 0% n/a					15	84% Yes / 9% No / 7% n/a					51
b) Did the survey focus primarily on this single activity? (versus including other activities)	Yes	Yes	Yes	100% Yes / 0% No / 0% n/a					15	82% Yes / 2% No / 16% n/a					46

Survey Question	Your Response			Peers 2014					All Participants 2014				
	2014	2013	2012	Max	Med	Min	Avg	#	Max	Med	Min	Avg	#
c) What was the longest possible time in days between the activity and the survey?	0	0	0	60	1	0	7	15	90	1	0	8	46
d) Is the survey delayed by at least 1 day from the date of the session?	No	New	New	45% Yes / 55% No / 0% n/a				11	29% Yes / 55% No / 16% n/a				26
e) How often did you survey about the activity?	Continuous	Continuous	Continuous	250	250	16	219	15	250	250	1	209	46
f) Can you break down the survey results by service agent?	Yes	Yes	Yes	100% Yes / 0% No / 0% n/a				15	75% Yes / 9% No / 16% n/a				46
<u>Member telephone calls</u>													
a) Did you survey satisfaction regarding this activity in your most recently ended fiscal year?	Yes	Yes	No	73% Yes / 27% No / 0% n/a				15	73% Yes / 22% No / 5% n/a				52
b) Did the survey focus primarily on this single activity? (versus including other activities)	Yes	Yes	n/a	53% Yes / 20% No / 27% n/a				11	55% Yes / 18% No / 27% n/a				40
c) What was the longest possible time in days between the activity and the survey?	0	0	n/a	365	7	0	79	11	365	7	0	45	40
d) Is the survey delayed by at least 1 day from the date of the session?	No	New	New	27% Yes / 27% No / 45% n/a				6	32% Yes / 26% No / 42% n/a				18
e) How often did you survey about the activity?	Continuous	Continuous	n/a	250	250	1	143	11	250	52	1	125	40
f) Can you break down the survey results by service agent?	Yes	Yes	n/a	40% Yes / 33% No / 27% n/a				11	36% Yes / 35% No / 29% n/a				39
g) Can you break down the survey results by topic covered?	No	New	New	27% Yes / 36% No / 36% n/a				7	26% Yes / 35% No / 39% n/a				19
<u>Pension inceptions</u>													
a) Did you survey satisfaction regarding this activity in your most recently ended fiscal year?	No	No	No	67% Yes / 33% No / 0% n/a				15	64% Yes / 29% No / 7% n/a				51
b) Did the survey focus primarily on this single activity? (versus including other activities)	n/a	n/a	n/a	53% Yes / 13% No / 33% n/a				10	49% Yes / 15% No / 36% n/a				35
c) What was the longest possible time in days between the activity and the survey?	n/a	n/a	n/a	90	20	1	34	10	365	30	0	47	35
e) How often did you survey about the activity?	n/a	n/a	n/a	250	12	1	105	10	250	12	1	78	35
<u>Written benefit estimates</u>													
a) Did you survey satisfaction regarding this activity in your most recently ended fiscal year?	No	No	No	53% Yes / 47% No / 0% n/a				15	53% Yes / 40% No / 7% n/a				51
b) Did the survey focus primarily on this single activity? (versus including other activities)	n/a	n/a	n/a	27% Yes / 27% No / 47% n/a				8	31% Yes / 22% No / 47% n/a				29
c) What was the longest possible time in days between the activity and the survey?	n/a	n/a	n/a	90	30	1	34	7	365	30	0	41	28
e) How often did you survey about the activity?	n/a	n/a	n/a	250	12	1	112	7	250	12	1	96	28
<u>Website - secure member area</u>													
a) Did you survey satisfaction regarding this activity in your most recently ended fiscal year?	No	No	No	40% Yes / 60% No / 0% n/a				15	51% Yes / 44% No / 5% n/a				52
b) Did the survey focus primarily on this single activity? (versus including other activities)	n/a	n/a	n/a	13% Yes / 27% No / 60% n/a				6	27% Yes / 24% No / 49% n/a				28

Survey Question	Your Response			Peers 2014					All Participants 2014				
	2014	2013	2012	Max	Med	Min	Avg	#	Max	Med	Min	Avg	#
c) What was the longest possible time in days between the activity and the survey?	n/a	n/a	n/a	365	75	0	147	6	365	30	0	85	28
e) How often did you survey about the activity?	n/a	n/a	n/a	250	8	1	86	6	250	4	1	67	28
g) Can you break down the survey results by topic covered?	n/a	New	New	18% Yes / 9% No / 73% n/a				3	23% Yes / 10% No / 68% n/a				10
<u>Refunds, lump-sums &amp; transfers-out</u>													
a) Did you survey satisfaction regarding this activity in your most recently ended fiscal year?	No	No	No	33% Yes / 67% No / 0% n/a				15	40% Yes / 55% No / 5% n/a				52
b) Did the survey focus primarily on this single activity? (versus including other activities)	n/a	n/a	n/a	20% Yes / 13% No / 67% n/a				5	25% Yes / 15% No / 60% n/a				22
c) What was the longest possible time in days between the activity and the survey?	n/a	n/a	n/a	365	31	14	100	5	365	30	0	47	22
e) How often did you survey about the activity?	n/a	n/a	n/a	250	12	1	57	5	250	12	1	77	22
<u>Purchases &amp; transfers-in</u>													
a) Did you survey satisfaction regarding this activity in your most recently ended fiscal year?	No	No	No	40% Yes / 60% No / 0% n/a				15	45% Yes / 49% No / 5% n/a				52
b) Did the survey focus primarily on this single activity? (versus including other activities)	n/a	n/a	n/a	20% Yes / 20% No / 60% n/a				6	27% Yes / 18% No / 55% n/a				25
c) What was the longest possible time in days between the activity and the survey?	n/a	n/a	n/a	365	31	15	100	5	365	30	0	55	24
e) How often did you survey about the activity?	n/a	n/a	n/a	26	12	1	13	5	250	12	1	81	24
<u>Disability</u>													
a) Did you survey satisfaction regarding this activity in your most recently ended fiscal year?	No	No	No	53% Yes / 47% No / 0% n/a				15	38% Yes / 44% No / 19% n/a				39
b) Did the survey focus primarily on this single activity? (versus including other activities)	n/a	n/a	n/a	27% Yes / 27% No / 47% n/a				8	23% Yes / 15% No / 63% n/a				18
c) What was the longest possible time in days between the activity and the survey?	n/a	n/a	n/a	365	45	1	115	8	365	30	0	70	18
e) How often did you survey about the activity?	n/a	n/a	n/a	250	12	1	71	8	250	19	1	116	18
<u>Service to employers</u>													
a) Did you survey satisfaction regarding this activity in your most recently ended fiscal year?	Yes	Yes	Yes	87% Yes / 13% No / 0% n/a				15	64% Yes / 31% No / 5% n/a				52
e) How often did you survey about the activity?	Continuous	Continuous	Continuous	250	1	1	78	13	250	1	1	52	35
127 If you surveyed satisfaction regarding the secure member area on your website, was the survey electronic? [i.e., email or web based]	No	No	No	33% Yes / 20% No / 47% n/a				8	36% Yes / 31% No / 33% n/a				37
If yes:													
a) Was the survey a menu item that the user had to find and select (as opposed to a survey actively sent to the user via email or a pop up)?	n/a	n/a	n/a	7% Yes / 27% No / 67% n/a				5	13% Yes / 24% No / 64% n/a				20

Survey Question	Your Response			Peers 2014					All Participants 2014						
	2014	2013	2012	Max	Med	Min	Avg	#	Max	Med	Min	Avg	#		
b) Did you survey 100% of users (versus a sample such as every 100th user)? If yes:	n/a	n/a	n/a	13% Yes / 20% No / 67% n/a					5	20% Yes / 16% No / 64% n/a					20
b1) Do you survey all visitors (meaning the same unique user can be surveyed multiple times)?	n/a	n/a	n/a	13% Yes / 0% No / 87% n/a					2	16% Yes / 4% No / 80% n/a					11
<b>Plan Design</b> <u>Plan Characteristics</u>															
128 Indicate 'yes' if your employers/ member groups can be described as the following (indicate all that apply):															
a) Is your membership limited to a city or county?	No	No	No	0% Yes / 100% No / 0% n/a					15	4% Yes / 96% No / 0% n/a					48
b) Participating Local Employers (i.e. municipalities have a choice in participating in your plan)?	Yes	Yes	Yes	67% Yes / 33% No / 0% n/a					15	54% Yes / 46% No / 0% n/a					48
c) State, Province, Country?	Yes	Yes	Yes	80% Yes / 20% No / 0% n/a					15	77% Yes / 23% No / 0% n/a					48
d) Teachers?	Yes	Yes	Yes	80% Yes / 20% No / 0% n/a					15	58% Yes / 42% No / 0% n/a					48
e) School Employees (Custodians, Admin. Staff)?	Yes	Yes	Yes	80% Yes / 20% No / 0% n/a					15	69% Yes / 31% No / 0% n/a					48
f) Safety (Police, Fire, Sheriff's Dept, etc) ?	Yes	Yes	Yes	67% Yes / 33% No / 0% n/a					15	60% Yes / 40% No / 0% n/a					48
g) Other (Judges, Legislators, etc)?	Yes	Yes	Yes	73% Yes / 27% No / 0% n/a					15	58% Yes / 42% No / 0% n/a					48
h) Corporate?	No	No	No	0% Yes / 100% No / 0% n/a					15	6% Yes / 94% No / 0% n/a					48
i) Industry?	No	No	No	0% Yes / 100% No / 0% n/a					15	8% Yes / 92% No / 0% n/a					48
i1) If Industry, describe the industry: n/a															
129 Which of the following descriptions best describes the non-optional benefit plans that you administer for each of your member groups:  A plan is non-optional if members must participate in it, or choose between it and alternatives. Do not include membership in benefit plans that are supplemental and optional such as deferred compensation 457, 403B or 401(k) plans. Do not include plans administered by a 3rd party															
a) Traditional Defined Benefit ("DB")?	No	No	No	87% Yes / 13% No / 0% n/a					15	95% Yes / 5% No / 0% n/a					55
b) DB Cash Balance (aka Money Purchase)?	No	No	No	7% Yes / 93% No / 0% n/a					15	2% Yes / 98% No / 0% n/a					55
c) Hybrid DB/ DC Cash Balance?	No	No	No	7% Yes / 93% No / 0% n/a					15	4% Yes / 96% No / 0% n/a					55
d) Hybrid DB/ Money Match?	No	No	No	7% Yes / 93% No / 0% n/a					15	2% Yes / 98% No / 0% n/a					48
e) DROP savings?	No	No	No	13% Yes / 87% No / 0% n/a					15	10% Yes / 90% No / 0% n/a					48
f) Defined Contribution ("DC")?	No	No	No	20% Yes / 80% No / 0% n/a					15	16% Yes / 82% No / 2% n/a					54
g) Hybrid DB/ DC?	Yes	Yes	Yes	73% Yes / 27% No / 0% n/a					15	27% Yes / 71% No / 2% n/a					54
h) Other (describe)?	No	No	No	7% Yes / 93% No / 0% n/a					15	5% Yes / 91% No / 4% n/a					53

Survey Question	Your Response			Peers 2014					All Participants 2014				
	2014	2013	2012	Max	Med	Min	Avg	#	Max	Med	Min	Avg	#
n/a													
130 Do members in any of your defined benefit plan(s) have the option of electing: [These questions are not applicable for DC plans or the DC portion of hybrid DB/DC plans] a) A 'variable investment option' that can increase or decrease the value of a member's future DB pension depending on the investment performance of a 'variable fund'? b) A 'pension savings overlay'? [Some Dutch systems have this option. The additional contributions are converted into an annuity at retirement. Interest is based on a fixed percentage or on the performance of the pension fund.] c) To change their contribution rate in order to get either more money at retirement or earlier eligibility to retire? [For example, some of the Australian DB plans permit the employee to contribute at a higher rate causing benefits to accrue more quickly so the member's defined benefit at retirement will be greater.]	Yes	Yes	Yes	13% Yes / 87% No / 0% n/a			15	4% Yes / 96% No / 0% n/a			48		
	Yes	Yes	Yes	27% Yes / 73% No / 0% n/a			15	8% Yes / 92% No / 0% n/a			48		
	No	No	No	0% Yes / 100% No / 0% n/a			15	2% Yes / 98% No / 0% n/a			48		
131 Do you have a Highly Compensated Employee replacement benefit program for employees that exceed legal or contractual limits of maximum pensionable earnings?	No	No	No	67% Yes / 33% No / 0% n/a			15	71% Yes / 29% No / 0% n/a			48		
132 Are any of the following activities administered by a third party: a) DB administration? b) DC administration? c) Pensioner data maintenance? d) Active member data maintenance? e) Contribution collection? f) Disability decisions?	No	No	No	0% Yes / 100% No / 0% n/a			15	16% Yes / 84% No / 0% n/a			55		
	Yes	Yes	Yes	67% Yes / 20% No / 13% n/a			13	40% Yes / 29% No / 31% n/a			38		
	No	No	No	7% Yes / 93% No / 0% n/a			15	18% Yes / 82% No / 0% n/a			55		
	No	No	No	7% Yes / 93% No / 0% n/a			15	16% Yes / 84% No / 0% n/a			55		
	No	No	No	0% Yes / 100% No / 0% n/a			15	16% Yes / 84% No / 0% n/a			55		
	Yes	Yes	Yes	40% Yes / 60% No / 0% n/a			15	38% Yes / 53% No / 9% n/a			50		
133 Which of the following programs do you offer to members AND administer yourself? [i.e., design, enrolment, premium collection] a) Pre-retirement health? b) Post-retirement health? c) Pre-retirement dental and vision? d) Post-retirement dental and vision? e) Long-term care insurance? f) Loans to members? g) Optional tax deferred savings plans? [i.e., 457, 403, 401k, 401a, etc]? h) Optional insurance? [i.e., life and/or auto and/or home]?	Yes	Yes	Yes	13% Yes / 87% No / 0% n/a			15	10% Yes / 90% No / 0% n/a			48		
	Yes	Yes	Yes	53% Yes / 47% No / 0% n/a			15	27% Yes / 73% No / 0% n/a			48		
	No	No	No	7% Yes / 93% No / 0% n/a			15	4% Yes / 96% No / 0% n/a			48		
	No	No	No	40% Yes / 60% No / 0% n/a			15	19% Yes / 81% No / 0% n/a			48		
	Yes	Yes	Yes	20% Yes / 80% No / 0% n/a			15	10% Yes / 90% No / 0% n/a			48		
	No	No	No	20% Yes / 80% No / 0% n/a			15	8% Yes / 92% No / 0% n/a			48		
	Yes	Yes	Yes	40% Yes / 60% No / 0% n/a			15	25% Yes / 75% No / 0% n/a			48		
	Yes	Yes	Yes	20% Yes / 80% No / 0% n/a			15	21% Yes / 79% No / 0% n/a			48		

Survey Question	Your Response			Peers 2014					All Participants 2014						
	2014	2013	2012	Max	Med	Min	Avg	#	Max	Med	Min	Avg	#		
i) Other (describe)? <u>Employee reimbursement accounts (medical, dependent care, commuter)</u> <u>Sick leave conversion (for post-retirement health insurance)</u> <u>Disability (40.63, LTDI, ICI, duty disability)</u>	Yes	Yes	Yes	27% Yes / 73% No / 0% n/a					15	25% Yes / 71% No / 4% n/a					46
134 Is your organization directly responsible for both investments and pension administration?	No	No	No	73% Yes / 27% No / 0% n/a					15	69% Yes / 31% No / 0% n/a					55
135 Does your board have an organization separate from the plan administrator that supports the Board and helps oversee the administrator? [This separate organization may also be responsible for public relations and select administrative duties and projects such as designing communication materials.]	No	No	No	0% Yes / 100% No / 0% n/a					15	24% Yes / 75% No / 2% n/a					54
136 Does your board have the power on its own to approve your operating budget? [i.e. your budget does not also have to be approved by a separate government representative, such as the Treasury, Legislature, Governor, Minister, General Assembly, etc.]  <u>Paying Pension Rules</u>	No	No	No	33% Yes / 60% No / 7% n/a					14	50% Yes / 48% No / 2% n/a					47
137 Do you make payments to annuitants that are accounted for separately from the normal pension? [For example : • Some systems permit employers to supplement the normal pension of their retirees. The pension fund collects the supplement from the employer and pays it on behalf of the employer. • At some Dutch systems contributions to the normal retirement pension are required by the pensioner during early retirement. These contributions are often reimbursed to the pensioner. The accounting and the member's payment advice shows 2 different payments (the pension + the reimbursement) and 1 collection (the required contribution).]	Yes	Yes	Yes	93% Yes / 7% No / 0% n/a					15	50% Yes / 48% No / 2% n/a					47
138 Do you: a) Check income of non-disabled pensioners? [For most systems this does not apply. At a few systems, if a pensioner's income from other sources exceeds a certain amount, his/her pension could be stopped or reduced.] b) Check income of disabled members after they have started receiving disability payments?	Yes	Yes	Yes	47% Yes / 53% No / 0% n/a					15	38% Yes / 60% No / 2% n/a					47
	Yes	Yes	Yes	87% Yes / 13% No / 0% n/a					15	60% Yes / 29% No / 10% n/a					43

Survey Question	Your Response			Peers 2014					All Participants 2014						
	2014	2013	2012	Max	Med	Min	Avg	#	Max	Med	Min	Avg	#		
c) Check school status? [For example, some systems will check that a dependent beneficiary is still eligible to receive a survivor pension benefit.]	Yes	Yes	Yes	53% Yes / 47% No / 0% n/a					15	58% Yes / 40% No / 2% n/a					47
d) Do proof-of-life checks that require individual annuitants to provide affidavits or notarization or similar proof of life?	Yes	Yes	Yes	93% Yes / 7% No / 0% n/a					15	90% Yes / 8% No / 2% n/a					47
e) Provide written confirmations of pensioner income or member account balances to third-parties? [For example, provide confirmation of income or account value for loans or for social security or subsidized housing. etc.]	Yes	Yes	Yes	100% Yes / 0% No / 0% n/a					15	96% Yes / 4% No / 0% n/a					48
<u>Payment Options</u>															
139 Do you offer "joint and survivor" options that are:															
a) Reduced to Beneficiary Only? [For example, If the beneficiary dies first, then the retiree's pension continues at the same level. However if the retiree dies first then the beneficiary receives a reduced pension (such as 70% for spouse).]	Yes	Yes	Yes	80% Yes / 20% No / 0% n/a					15	77% Yes / 21% No / 2% n/a					47
b) Reduced to Last Survivor? [For example, if either the retiree or beneficiary dies the survivor receives a reduced pension (such as 70%, etc.).]	Yes	Yes	Yes	27% Yes / 73% No / 0% n/a					15	25% Yes / 73% No / 2% n/a					47
c) "Reversion" or "Pop-up"? [For example, if the beneficiary dies first, the retiree's pension increases to an unmodified level. However, if the retiree dies first the pension does not increase for the surviving beneficiary (and it may decrease).]	Yes	Yes	Yes	87% Yes / 13% No / 0% n/a					15	58% Yes / 40% No / 2% n/a					47
140 How many Joint and Beneficiary or Survivor percentages (i.e., 100% Survivor, 50% Survivor, etc.) do you permit? [If you permit any % selected by the member, then indicate "unlimited".]	2	2	2	91	3	2	13	9	91	3	1	8	33		
141 Do any of your retirement formula for members explicitly subtract estimated Social Security (or CPP in Canada) when determining the benefit?	No	No	No	33% Yes / 67% No / 0% n/a					15	50% Yes / 48% No / 2% n/a					47
a) If yes, is this true for all of your members or are some pensions reduced to reflect Social Security and others not?	n/a	n/a	n/a	0% All / 33% Some / 67% n/a					5	19% All / 31% Some / 50% n/a					24
b) If yes, do you have a "Level Income" option for early retirees that pays a higher benefit to members prior to age 65 and then reduces the benefit at age 65 when social security (or CPP in Canada) starts to be paid?	n/a	n/a	n/a	27% Yes / 7% No / 67% n/a					5	46% Yes / 4% No / 50% n/a					24
142 Do you have "High/ Low" or "Low/High" options that are not tied to social security? [For example, a retiree might want higher payments for 10 years until a mortgage obligation is repaid, followed by lower payments.]	No	No	No	7% Yes / 93% No / 0% n/a					15	6% Yes / 92% No / 2% n/a					47

Survey Question	Your Response			Peers 2014					All Participants 2014						
	2014	2013	2012	Max	Med	Min	Avg	#	Max	Med	Min	Avg	#		
143 Do you offer "Annuity Certain" options? [For example, Annuity Certain options provide the annuitant with a monthly benefit for life. If the annuitant dies before a set guarantee period, monthly benefits continue to be paid to a beneficiary for the balance of the guarantee period.]	Yes	Yes	Yes	67% Yes / 33% No / 0% n/a					15	52% Yes / 46% No / 2% n/a					47
144 Do you have a designer option where members can design virtually any actuarially sound cash flow they choose? [Designer options need to be custom priced by an actuary.]	No	No	No	13% Yes / 87% No / 0% n/a					15	8% Yes / 90% No / 2% n/a					47
145 Can a member choose between a COLA protected and a non-COLA pension? [The only example we have seen provides a much higher FAS salary base for the non-COLA pension.]	No	No	No	0% Yes / 100% No / 0% n/a					15	6% Yes / 92% No / 2% n/a					47
146 Do you have a Deferred Retirement Option Plan ("DROP")? [This option allows eligible employees to receive payment of retirement benefits while continuing to work. These payments are usually deposited into a separate account, and the total accumulated value of this account is paid via lump sum to the employee on actual retirement.]	No	No	No	20% Yes / 80% No / 0% n/a					15	23% Yes / 75% No / 2% n/a					47
147 At retirement, can a member convert: a) Part of his benefit into a partial lump sum payment? b) All of his benefit into a lump sum or commuted value payment? [That can be rolled over to another fund, or investment account, etc.]	No	No	No	67% Yes / 33% No / 0% n/a					15	33% Yes / 65% No / 2% n/a					47
	No	No	No	20% Yes / 80% No / 0% n/a					15	23% Yes / 75% No / 2% n/a					47
148 Are members permitted to retire mid-month (in which case they receive a partial pension payment for the remainder of the month) or are they always assumed to retire on a set day (usually the first or the last day) of the month?	Any Day	Any Day	Any Day	33% Any Day / 67% Set Day / 0% n/a					15	38% Any Day / 60% Set Day / 2% n/a					47
149 How many mortality tables do you keep track of for determining joint and survivor or beneficiary options? [Most systems track only one table. But some systems calculate joint and survivor pensions using the mortality table that was in effect when the retiring member joined the system. Since mortality tables change from time to time, the result is that these systems are required to track numerous mortality tables.] <u>Cost of Living Adjustments</u>	1	1	1	228	2	1	18	15	228	1	1	7	47		
150 How many different cost of living adjustment ("COLA") rule sets do you have for retired, and if applicable, inactive members? (These rule sets may be either contractual or legislated.)	2	2	2	13	2	1	4	15	13	2	0	3	47		

Survey Question	Your Response			Peers 2014					All Participants 2014				
	2014	2013	2012	Max	Med	Min	Avg	#	Max	Med	Min	Avg	#
[Most systems have only one or none. Examples of different COLA rule sets that could apply to various member groups or grandfathered subsets of member groups include: 1. CPI uncapped 2. CPI capped at 2% without a carry forward; 3. CPI capped at 2% with a carry forward]													
151 Do you have: a) Cost of living adjustment ("COLA") clauses that carry forward inflation that exceeds a cap (versus no cap or no carry forward or no COLA etc.)? b) Conditional COLA based on the level of funding? c) Umbrella legislation that guarantees the purchasing power of an annuitants' pension will not fall below a certain level? [An example of such legislated protection is the PPPA in California.]	No	No	No	20% Yes / 80% No / 0% n/a			15	21% Yes / 77% No / 2% n/a			47		
	No	No	No	27% Yes / 73% No / 0% n/a			15	29% Yes / 69% No / 2% n/a			47		
	No	No	No	20% Yes / 80% No / 0% n/a			15	17% Yes / 81% No / 2% n/a			47		
152 Do you have COLA clauses that increase the base pensionable earnings of inactive members? a) If yes, are these COLA increases the same as they are for annuitants?  <u>Benefit Formulas</u>	No	No	No	20% Yes / 80% No / 0% n/a			15	29% Yes / 69% No / 2% n/a			47		
	n/a	n/a	n/a	7% Yes / 13% No / 80% n/a			3	21% Yes / 8% No / 71% n/a			14		
153 How many different rule sets do you have that apply to member groups or subsets of a member group for qualifying for an unreduced retirement formula? [For example, one system has the following 3 rule sets that apply to its member groups and special subsets of its member groups.  1. All public employees can get an unreduced retirement at 65 with 5 years of service, or at 60 with 20 years of service. (Even though there are two qualifying rules, it only counts as 1 rule set because the rules apply equally to all members.) 2. Pre-1995 public employees can get an unreduced retirement at age 55 with 20 years of service. 3. Teachers can get an unreduced retirement when age plus years of service equals 75.]	13	13	13	91	7	2	14	15	91	5	1	8	47
154 Can members retire earlier than the age required for an unreduced retirement formula? [For example, at one system an unreduced formula of 1.5% per year of service is available beginning at age 60. Members can retire earlier but the pension is reduced by 5% for each year earlier than age 60.]	Yes	Yes	Yes	100% Yes / 0% No / 0% n/a			15	96% Yes / 2% No / 2% n/a			47		
155 How many different salary definitions could apply in retirement formula calculations?	2	2	2	15	3	1	5	15	18	3	0	4	47

Survey Question	Your Response			Peers 2014					All Participants 2014				
	2014	2013	2012	Max	Med	Min	Avg	#	Max	Med	Min	Avg	#
<p>[Examples of different salary definitions include:</p> <ul style="list-style-type: none"> <li>• Average of 3 final years' salary subject to raises not in excess of 10%;</li> <li>• Average of 3 best consecutive years' salary with no cap on raises;</li> <li>• Final 12 months salary.]</li> </ul>													
<p>156 How many different 'formula percentage' rule sets could apply in unreduced retirement formulas? [For example, one system has the following three different 'formula percentage' rule sets: 1. Fire and Police get 2.5% per year of service; 2. Public Employees get 1.75% per year of service; 3. Teachers get 1.8% for the first 5 years of service, 2.0% for the next 5 years of service and 2.3% per year of service thereafter.]</p>	8	8	8	91	4	2	12	15	91	4	1	7	47
<p>157 Do you have different employers with different benefit formula? If yes, which of the following happens when a member moves from one employer that you administer to another with a different benefit formula? [For example, moves from PERS to Law Enforcement.]</p> <p>a) Each system uses its own formula and salary data to determine the benefit.</p> <p>b) Each system applies its own formula but uses either the salary earned in the last system, or the highest salary (or salaries) in either system.</p> <p>c) The highest formula will apply.</p> <p>d) The formula of the plan where the member works last will apply.</p> <p>e) Other (describe)</p> <p><u>n/a</u></p> <p><u>External Reciprocity</u></p>	No	No	No	67% Yes / 33% No / 0% n/a				15	50% Yes / 50% No / 0% n/a				48
	n/a	n/a	n/a	33% Yes / 33% No / 33% n/a				10	27% Yes / 21% No / 52% n/a				23
	n/a	n/a	n/a	20% Yes / 47% No / 33% n/a				10	21% Yes / 27% No / 52% n/a				23
	n/a	n/a	n/a	13% Yes / 53% No / 33% n/a				10	4% Yes / 46% No / 50% n/a				24
	n/a	n/a	n/a	20% Yes / 47% No / 33% n/a				10	15% Yes / 33% No / 52% n/a				23
	n/a	n/a	n/a	7% Yes / 60% No / 33% n/a				10	10% Yes / 38% No / 52% n/a				23
<p>158 Do you have agreements with external systems where you both agree to use the member's final salary from the system where the member worked immediately prior to retirement in the benefit calculation? [Otherwise, each system pays the "dual" member a pension benefit based on its own rules for determining the benefit. Neither credit nor money are transferred between systems.]</p>	Yes	Yes	Yes	33% Yes / 67% No / 0% n/a				15	25% Yes / 73% No / 2% n/a				47
<p>159 Do you have agreements with external Systems where the member may combine internal and external credit to form one joint account?</p>	No	No	No	27% Yes / 73% No / 0% n/a				15	15% Yes / 83% No / 2% n/a				47

Survey Question	Your Response			Peers 2014					All Participants 2014						
	2014	2013	2012	Max	Med	Min	Avg	#	Max	Med	Min	Avg	#		
[The accounts remain separate until the member applies for a benefit, at which time either: <ul style="list-style-type: none"> <li>• The System with the most service credit for that person is responsible for the combined account, or</li> <li>• The System where the member worked last is responsible.]</li> </ul> <u>Service Credit Rules</u>															
160 How many different definitions do you have for a "full year" of service credit? [For example, a system could have: <ul style="list-style-type: none"> <li>• One definition such as "more than 120 days = a year".</li> <li>• Or the following three definitions: 9 months = a year for state colleges, 10 months = a year for teachers and 12 months = a year for public employees.</li> <li>• Or the following three definitions: 182 days in school district A or B, 179 days in school district C and 180 days in all other school districts.</li> <li>• Or the following two definitions for hourly employees: 48 weeks of 40 hours per week versus 48 weeks of 36 hours per week.]</li> </ul>	2	2	2	10	4	1	4	15	100	3	1	6	47		
161 Does your system have more than one payroll year for determining service credit? [For example, the teachers' year could be July - June with their service credit determined based on the time worked July - June and the public employees' year could be January to December with their service credit determined based on time worked January to December.]	Yes	Yes	Yes	33% Yes / 67% No / 0% n/a					15	31% Yes / 67% No / 2% n/a					47
a) If yes, how many different payroll years exist in your system?	2	2	2	12	2	2	4	5	30	3	2	6	15		
162 How many different vesting periods do you have that apply to active members? [Your answer should be 0 if you have immediate vesting. Most North American systems have only one.]	0	0	0	8	2	0	3	15	8	2	0	2	47		
163 Do you permit: a) Permanent part-time employees to be members? [An example of a permanent part-time employee is someone contracted to work 3 days a week.]	Yes	Yes	Yes	93% Yes / 7% No / 0% n/a					15	98% Yes / 2% No / 0% n/a					48
b) Casual/ temporary/ intermittent/ seasonal employees to be members? [An example of a "temporary" employee is an infrequent substitute teacher.]	Yes	Yes	Yes	93% Yes / 7% No / 0% n/a					15	75% Yes / 23% No / 2% n/a					47
164 Are you sometimes asked by employers to determine the eligibility of members?	Yes	Yes	Yes	93% Yes / 7% No / 0% n/a					15	88% Yes / 10% No / 2% n/a					47

Survey Question	Your Response			Peers 2014					All Participants 2014				
	2014	2013	2012	Max	Med	Min	Avg	#	Max	Med	Min	Avg	#
[This can occur when a member works for multiple employers in your system or when there is unclear eligibility legislation. For example, a school bus driver may drive buses for multiple districts or counties at the same time. Based on time spent within each district the driver would be ineligible. However, based on the combined employment the driver may be eligible.] <u>Service Credit Purchases</u>													
165 Indicate each of the payment methods you permit for service credit purchases and upgrades: a) Rollover from tax qualified plans such as 401(a) or 401(k) or Conduit IRA or KEOGH in the US; or RRSP plans in Canada? b) Lump sum payments from members? c) Installment payments direct from members? d) Installment payments via payroll deduction through employers?	Yes Yes No No	Yes Yes No No	Yes Yes No No	100% Yes / 0% No / 0% n/a 100% Yes / 0% No / 0% n/a 60% Yes / 40% No / 0% n/a 60% Yes / 40% No / 0% n/a				15 15 15 15	96% Yes / 0% No / 4% n/a 84% Yes / 9% No / 7% n/a 56% Yes / 35% No / 9% n/a 51% Yes / 42% No / 7% n/a				46 51 50 51
166 How many different service credit purchase categories do you have with different definitions and/or eligibility requirements? [For example, some systems have multiple different categories with different definitions such as 'refunded prior service', 'sick leave', 'military service', etc. Other systems have a single category such as 'any previous work, any time, anywhere'.]	7	7	7	32	14	6	14	15	37	12	2	12	46
167 How many different service credit purchase calculation formula or methodologies do you have? [For example, one system has the following 4 different cost calculation formula: • Previously refunded contributions X the actuarial earnings rate. • Salary X Contribution Rate (no interest) for active duty military service. • Salary X Contribution Rate X 5% per annum for out-of-state government, or private school teaching service • Actuarial Cost for up to 5 years of any non-government, non-teaching work done outside of the pension system.]	9	9	9	18	6	3	7	15	18	5	1	6	46
168 Are your service credit purchase rules (category definitions, eligibility requirements and calculation methodologies): a) Essentially identical for all your members? b) Similar for all member groups, albeit with some differences? c) Very different for different member groups? <u>Refunds, Transfers-out and Terminating Payments</u>	No Yes No	No Yes No	No Yes No	27% Yes / 73% No / 0% n/a 60% Yes / 40% No / 0% n/a 13% Yes / 87% No / 0% n/a				15 15 15	46% Yes / 50% No / 4% n/a 42% Yes / 54% No / 4% n/a 13% Yes / 81% No / 6% n/a				46 46 45

Survey Question	Your Response			Peers 2014					All Participants 2014						
	2014	2013	2012	Max	Med	Min	Avg	#	Max	Med	Min	Avg	#		
169 Do you pay a one-time death payment when a member, retiree or the retiree's beneficiary dies (separate from the survivor pension)?	No	No	No	60% Yes / 40% No / 0% n/a					15	56% Yes / 44% No / 0% n/a					48
a) If yes, how many different one-time death payment rule sets do you have? [i.e., \$5,000, \$2,000 etc.]	n/a	n/a	n/a	6	4	2	4	9	8	3	1	4	26		
170 How many different refund formulas do you have? [For example, a few systems have different formulas for vested and non-vested members, or for different member groups.] <u>Disability</u>	4	4	4	7	3	1	3	15	8	2	0	2	47		
171 What happens to disabled members' benefits when they reach regular retirement age: a) No change (disabled member continues to receive the same disability payments. There are no new potential pension obligations.)?	No	No	No	80% Yes / 20% No / 0% n/a					15	67% Yes / 21% No / 13% n/a					42
b) Disabled members receive the greater of their current disability benefit or service retirement based on their service credit earned to the date of disability? [i.e. time on disability does not count as service credit.]	No	No	No	27% Yes / 73% No / 0% n/a					15	13% Yes / 75% No / 13% n/a					42
c) Disabled members receive service retirement (time on disability counts as eligible service credit)?	No	No	No	33% Yes / 67% No / 0% n/a					15	38% Yes / 50% No / 13% n/a					42
d) Other (describe)? <u>Disability Retirement benefits do not change. Income Continuation Insurance (ICI) &amp; Long-Term Disability Insurance (LTDI) - end at age 65, which is normal retirement age for all but protective &amp; executive/elected employees (exceptions: ICI - benefits may be payable longer if age 62 or older when first disabled; LTDI - benefits payable longer if age 61 or older on LTDI effective date.) Duty Disability benefits are offset by regular retirement benefits at Minimum Retirement Age, which is age 50 for protective occupation employees.</u>	Yes	Yes	Yes	40% Yes / 60% No / 0% n/a					15	21% Yes / 65% No / 15% n/a					41
172 Will you pay a disabled member that returns to work at a salary lower than he previously earned: a) The difference between his old salary (or his old disability benefit) and his new lower salary?	No	No	No	20% Yes / 80% No / 0% n/a					15	13% Yes / 67% No / 21% n/a					38
b) An amount that is potentially greater than the difference between his old salary and his new lower salary?	No	No	No	7% Yes / 93% No / 0% n/a					15	4% Yes / 75% No / 21% n/a					38
173 How do you determine whether a member qualifies for long-term disability/ disability pension: a) Follow the ruling of a government agency such as social security or worker's compensation?	No	No	No	20% Yes / 80% No / 0% n/a					15	8% Yes / 79% No / 13% n/a					42
b) Employer decides?	No	No	No	0% Yes / 100% No / 0% Some / 0% n/a					15	2% Yes / 85% No / 2% Some / 10% n/a					43

Survey Question	Your Response			Peers 2014					All Participants 2014						
	2014	2013	2012	Max	Med	Min	Avg	#	Max	Med	Min	Avg	#		
c) Process independent of social security, worker's compensation and employer decisions? [For example, many systems use independent internal processes or medical review boards or medical consultants.]	Yes	Yes	Yes	100% Yes / 0% No / 0% n/a					15	79% Yes / 6% No / 15% n/a					41
d) Other (describe)? n/a	No	No	No	13% Yes / 87% No / 0% n/a					15	10% Yes / 77% No / 13% n/a					42
174 Which of the following descriptions best describes the MINIMUM level of disability necessary to be eligible for a long-term disability/ disability pension: [If you have different plans with different definitions, choose the definition that applies to the largest number of cases.]															
a) Disabling injury or illness that prevents you from performing your current job duties (even though you might be able to perform other jobs) and expected to be permanent (or for some systems - persist longer than 6 or 12 months)?	No	No	No	47% Yes / 53% No / 0% n/a					15	50% Yes / 35% No / 15% n/a					41
b) Disabling injury or illness that prevents the member from performing current and 'other' jobs that he/she is qualified for and/or can become qualified to do in a reasonable period of time and expected to be permanent (or for some systems - persist longer than 6 or 12 months)? [Sometimes but not always the 'other job' is defined as not able to earn a certain level (i.e., 75%) of pre-disability earnings.]	Yes	No	No	27% Yes / 73% No / 0% n/a					15	13% Yes / 71% No / 17% n/a					40
c) Totally and permanently incapacitated and member is not reasonably expected to recover from disabling medical condition or not expected to ever work again?	No	Yes	Yes	27% Yes / 73% No / 0% n/a					15	21% Yes / 60% No / 19% n/a					39
d) Other (describe)? n/a	No	No	No	13% Yes / 87% No / 0% n/a					15	8% Yes / 73% No / 19% n/a					39
175 If you administer short-term disability:															
a) Are the short-term and long-term disability/ disability pension processes closely entwined? [i.e., difficult to distinguish between costs of long-term/disability pensions and short term disability, same staff do both, similar approval processes]	No	No	No	20% Yes / 13% No / 67% n/a					5	10% Yes / 4% No / 85% n/a					7
b) Are the disability definitions, other than the expected duration of disability, the same for both long-term and short-term disability? [For example, the only difference between the definition of long-term/ disability pensions and short-term disability at some systems is the disabling injury or illness is expected to last longer than 12 months for long-term.]	No	No	No	7% Yes / 27% No / 67% n/a					5	4% Yes / 10% No / 85% n/a					7
c) Are there materially different approval processes for short-term and long-term disability/ disability pensions?	Yes	Yes	Yes	20% Yes / 13% No / 67% n/a					5	6% Yes / 8% No / 85% n/a					7

Survey Question	Your Response			Peers 2014					All Participants 2014				
	2014	2013	2012	Max	Med	Min	Avg	#	Max	Med	Min	Avg	#
176	How many different rule sets with different definitions or benefits do you have that apply to member groups or subsets of a member group for: a) Long-term disability/ disability pensions? b) Short-term disability (if you administer it yourself)? [For example, some systems have different disability definitions or benefits for police and fire than they do for other public employees. Other systems have grandfathered disability rule sets that only apply to members hired prior to a certain date.]												
	7	6	4	58	3	1	9	15	58	2	1	5	41
	2	1	1	14	2	1	5	4	14	2	1	4	6
177	Do you reduce payments if the member qualifies or receives: a) Disability social security? b) Worker's compensation? c) Other public funds (e.g. federal military disability)? d) Income protection plans/other disability insurance? e) Employer sick leave and annual leave pay? f) Unemployment compensation? g) Income from other employment? h) Other (describe)? <u>other system administered benefits including retirement</u> <u>Pensionable Earnings</u>												
	Yes	Yes	Yes	47% Yes / 53% No / 0% n/a				15	25% Yes / 58% No / 17% n/a				40
	Yes	Yes	Yes	73% Yes / 27% No / 0% n/a				15	42% Yes / 42% No / 17% n/a				40
	No	No	No	20% Yes / 80% No / 0% n/a				15	8% Yes / 75% No / 17% n/a				40
	Yes	Yes	Yes	27% Yes / 73% No / 0% n/a				15	8% Yes / 75% No / 17% n/a				40
	Yes	No	No	40% Yes / 60% No / 0% n/a				15	15% Yes / 69% No / 17% n/a				40
	Yes	Yes	Yes	33% Yes / 67% No / 0% n/a				15	13% Yes / 71% No / 17% n/a				40
	Yes	Yes	Yes	67% Yes / 33% No / 0% n/a				15	33% Yes / 50% No / 17% n/a				40
	Yes	Yes	Yes	33% Yes / 67% No / 0% n/a				15	17% Yes / 69% No / 15% n/a				41
178	Indicate which of the following forms of variable compensation are paid in your system. And, if paid, indicate whether all, some or none of that type of variable compensation is included in pensionable earnings. a) Bonuses? b) Allowances, such as remote location pay or 'high risk' duty allowance or a car allowance? c) Overtime pay? d) Commissions or similar payments such as fees paid to sheriffs for process serving? If yes, is all, some or none of it included in pensionable earnings? a) Bonuses? b) Allowances, such as remote location pay or 'high risk' duty allowance or a car allowance? c) Overtime pay? d) Commissions or similar payments such as fees paid to sheriffs for process serving?												
	Yes	Yes	Yes	87% Yes / 13% No / 0% n/a				15	85% Yes / 13% No / 2% n/a				47
	Yes	Yes	Yes	87% Yes / 13% No / 0% n/a				15	85% Yes / 13% No / 2% n/a				47
	Yes	Yes	Yes	93% Yes / 7% No / 0% n/a				15	83% Yes / 15% No / 2% n/a				47
	Yes	Yes	Yes	40% Yes / 60% No / 0% n/a				15	42% Yes / 56% No / 2% n/a				47
	All	All	All	20% All / 13% None / 53% Some / 13% n/a				13	10% All / 17% None / 58% Some / 15% n/a				41
	Some	Some	Some	13% All / 13% None / 60% Some / 13% n/a				13	15% All / 19% None / 52% Some / 15% n/a				41
	All	All	All	73% All / 0% None / 20% Some / 7% n/a				14	46% All / 15% None / 23% Some / 17% n/a				40
	All	All	All	20% All / 0% None / 20% Some / 60% n/a				6	17% All / 4% None / 21% Some / 58% n/a				20

Survey Question	Your Response			Peers 2014					All Participants 2014						
	2014	2013	2012	Max	Med	Min	Avg	#	Max	Med	Min	Avg	#		
179 When determining a member's pensionable earnings does a cap on salary increases apply? <u>Customization Options</u>	Yes	Yes	Yes	60% Yes / 40% No / 0% n/a					15	40% Yes / 58% No / 2% n/a					47
180 Can either existing employers, or a new employer joining your system, choose:															
a) Whether they offer early retirement, or a window of early retirement?	No	No	No	27% Yes / 73% No / 0% n/a					15	19% Yes / 79% No / 2% n/a					47
b) Whether or not part-time employees are eligible?	No	No	No	7% Yes / 93% No / 0% n/a					15	10% Yes / 88% No / 2% n/a					47
c) Whether employee contributions are paid pre or post tax?	No	No	No	47% Yes / 53% No / 0% n/a					15	19% Yes / 79% No / 2% n/a					47
d) Whether they pay for employee contributions themselves, or not?	Yes	Yes	Yes	53% Yes / 47% No / 0% n/a					15	31% Yes / 67% No / 2% n/a					47
e) Position coverage based on predetermined rule sets? [For example, employers can choose from a list of pre-determined rules sets such as 1.5% X FAS for General and 2.5% X FAS for Law Enforcement. Employers may have flexibility to determine eligibility for each group.]	No	No	No	20% Yes / 80% No / 0% n/a					15	10% Yes / 88% No / 2% n/a					47
f) Contribution levels and/ or match rates? [For example, at Texas MRS, employers can choose employee deposit rates of 5%, 6% or 7% and employer match rates of 1 to 1, 1.5 to 1 or 2 to 1. We think this only applies to money match and DC plans because for DB plans the promised benefit determines the contribution.]	No	No	No	7% Yes / 93% No / 0% n/a					15	8% Yes / 90% No / 2% n/a					47
g) To pay for one-time improvements in retiree or member benefits? [For example, one fund's employers can elect to pay to improve the money purchase entitlement of their members.]	Yes	Yes	Yes	13% Yes / 87% No / 0% n/a					15	17% Yes / 79% No / 4% n/a					46
181 When new employers join your system, do they have the flexibility to customize any of the following items: If yes, indicate the number of standard choices for that item.															
a) Benefit program multipliers? [e.g., 2% per year of service, 2.5% per year of service, etc]	No	No	No	0% Yes / 100% No / 0% n/a					15	4% Yes / 96% No / 0% n/a					48
b) Final salary definition? [e.g., Sick Leave in or out, Final 1 year, Highest 5 consecutive years, etc]	No	No	No	7% Yes / 93% No / 0% n/a					15	4% Yes / 96% No / 0% n/a					48
c) Retirement eligibility rules? [i.e., age and/or years of service required to retire].	No	No	No	0% Yes / 100% No / 0% n/a					15	2% Yes / 98% No / 0% n/a					48
d) Cost of living adjustment rules? [e.g., CPI capped at 2%, CPI uncapped, etc]	No	No	No	0% Yes / 100% No / 0% n/a					15	4% Yes / 96% No / 0% n/a					48
e) Vesting period?	No	No	No	0% Yes / 100% No / 0% n/a					15	0% Yes / 100% No / 0% n/a					48
f) Service credit purchase categories?	Yes	Yes	Yes	13% Yes / 87% No / 0% n/a					15	8% Yes / 92% No / 0% n/a					48
g) Death benefit coverage? [e.g. One system has 3 choices: none, \$5,000 and \$10,000]	No	No	No	0% Yes / 100% No / 0% n/a					15	6% Yes / 94% No / 0% n/a					48
h) Disability coverage rules?	Yes	Yes	Yes	7% Yes / 93% No / 0% n/a					15	4% Yes / 96% No / 0% n/a					48

Survey Question	Your Response			Peers 2014					All Participants 2014				
	2014	2013	2012	Max	Med	Min	Avg	#	Max	Med	Min	Avg	#
i) Choice as to whether and how contributions and benefits are coordinated with social security?	No	No	No	0% Yes / 100% No / 0% n/a				15	4% Yes / 96% No / 0% n/a				48
j) Other (describe)? <u>n/a</u>	No	No	No	7% Yes / 93% No / 0% n/a				15	10% Yes / 85% No / 4% n/a				46
If yes: # of standard options													
a) Benefit program multipliers? [e.g., 2% per year of service, 2.5% per year of service, etc]	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0	4	4	4	4	1
b) Final salary definition? [e.g., Sick Leave in or out, Final 1 year, Highest 5 consecutive years, etc]	n/a	n/a	n/a	2	2	2	2	1	2	2	2	2	1
c) Retirement eligibility rules? [i.e., age and/or years of service required to retire].	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0	4	4	4	4	1
d) Cost of living adjustment rules? [e.g., CPI capped at 2%, CPI uncapped, etc]	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0	2	2	2	2	1
e) Vesting period?	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0	n/a	n/a	n/a	n/a	0
f) Service credit purchase categories?	5	5	5	5	4	2	4	2	5	2	2	3	3
g) Death benefit coverage? [e.g. One system has 3 choices: none, \$5,000 and \$10,000]	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0	2	2	2	2	2
h) Disability coverage rules?	2	2	2	2	2	2	2	1	2	2	2	2	1
i) Choice as to whether and how contributions and benefits are coordinated with social security?	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0	1	1	1	1	1
j) Other (describe)?	n/a	n/a	n/a	1	1	1	1	1	1	1	1	1	4
182 Can an existing employer change any of the choices (per question 181 above), effectively creating a new or altered rule set, at any time? <u>Collections and Data Maintenance</u>	Yes	Yes	Yes	20% Yes / 80% No / 0% n/a				15	17% Yes / 79% No / 4% n/a				46
183 How many different contribution percentages do you collect from:													
a) Employers? [For example, single member group systems may have only one contribution percentage whereas some multi-plan systems may collect numerous different contribution rates from various participating employers.]	4	4	4	3,296	6	1	346	15	3,296	4	1	145	47
b) Members?	4	4	4	78	4	1	10	15	228	3	1	11	47
184 Which of the following payment methods for employee contributions occur in the plans that you administer:													
a) No employee contributions?	No	No	No	33% Yes / 67% No / 0% n/a				15	25% Yes / 73% No / 2% n/a				47
b) Employer pays his part and also the employee contributions?	Yes	Yes	Yes	60% Yes / 40% No / 0% n/a				15	46% Yes / 52% No / 2% n/a				47
c) Employer withholds employee contributions pre-tax from his salary?	Yes	Yes	Yes	100% Yes / 0% No / 0% n/a				15	94% Yes / 4% No / 2% n/a				47
d) Employer withholds employee contributions post-tax from his salary?	No	No	No	67% Yes / 33% No / 0% n/a				15	42% Yes / 56% No / 2% n/a				47

Survey Question	Your Response			Peers 2014					All Participants 2014						
	2014	2013	2012	Max	Med	Min	Avg	#	Max	Med	Min	Avg	#		
185 Do you have any other contributions in addition to the regular employee and employer contributions? [For example, Ohio SERS collects a surcharge for members who earn less than a minimum compensation amount.] a) If yes, describe: <u>n/a</u>	No	No	No	47% Yes / 53% No / 0% n/a					15	44% Yes / 54% No / 2% n/a					47
186 Do you collect pension contributions from any members directly? [For example, Nurses in the Netherlands can continue to contribute to their pension even if they are inactive. Do not include optional contributions such as to 401k savings plans]	No	No	No	27% Yes / 73% No / 0% n/a					15	27% Yes / 73% No / 0% n/a					48
187 Do members deal with you directly when selecting or changing DB plan options such as options to switch from core DB to DC or DROP plans, option to participate in variable investment option overlays, option to change their contribution rate, option to repair pension gaps, pre-retirement election options, etc?	Yes	Yes	Yes	53% Yes / 40% No / 7% n/a					14	38% Yes / 40% No / 23% n/a					37
188 Are you required, by policy or by law, to actively seek out and initiate either a benefit or a refund for inactive vested members or inactive unvested members? <u>Billing and Inspection</u>	Yes	Yes	Yes	100% Yes / 0% No / 0% n/a					15	90% Yes / 10% No / 0% n/a					48
189 Do you: a) Send a written advice to employers that inform them of their required contribution rates and then rely on each employer to pay the correct contributions? b) Invoice employers in arrears based on actual member service and salary data? c) Invoice employers in advance based on estimated member service and salary data, and then adjust based on actual experience?	Yes	Yes	Yes	73% Yes / 27% No / 0% n/a					15	71% Yes / 27% No / 2% n/a					47
	No	No	No	67% Yes / 33% No / 0% n/a					15	58% Yes / 40% No / 2% n/a					47
	No	No	No	27% Yes / 73% No / 0% n/a					15	15% Yes / 83% No / 2% n/a					47
190 If you answered 'yes' to questions 189a, b or c above: a) How many times per year do you send invoices or 'advices' to each employer? <u>Divorce</u>	1	1	1	669	12	1	58	14	1,692	2	0	66	40		
191 Choose the statement that best describes how divorce settlements for active members (or divorce decrees or QDROS, or QILDROS, or Division of Benefit Orders, etc.) impact your system. If you have different rules for different plans, choose the statement that applies to the largest number of cases															

Survey Question	Your Response			Peers 2014					All Participants 2014				
	2014	2013	2012	Max	Med	Min	Avg	#	Max	Med	Min	Avg	#
a) Minimal impact. Law prevents you from paying the pension to anybody except the member and the member's specified beneficiaries.	No	No	No	13% Yes / 87% No / 0% n/a				15	10% Yes / 88% No / 2% n/a			47	
b) Minimal impact unless children are involved. With children you may be required to redirect payment.	No	No	No	0% Yes / 100% No / 0% n/a				15	0% Yes / 98% No / 2% n/a			47	
c) A portion of the pension is paid to the ex-spouse, but ONLY when the member begins receiving benefits.	No	No	No	60% Yes / 40% No / 0% n/a				15	52% Yes / 46% No / 2% n/a			47	
d) A portion of the pension is paid to the ex-spouse. The ex-spouse can initiate the pension at a time different than the member provided that eligibility conditions are met.	Yes	Yes	Yes	40% Yes / 60% No / 0% n/a				15	33% Yes / 65% No / 2% n/a			47	
e) Other (describe)	No	No	No	13% Yes / 87% No / 0% n/a				15	15% Yes / 83% No / 2% n/a			47	
<u>n/a</u>													

## Appendix B - Foreign currency conversion

All currency amounts have been converted to USD using Purchasing Power Parity figures per the OECD. The table below shows the foreign exchange rates for the past 4 years.

Purchasing Power Parity <sup>1</sup>				
Currency	2014	2013	2012	2011
United States Dollars - USD	1.000	1.000	1.000	1.000
Canada Dollars - CAD	0.810	0.810	0.807	0.807
Euro - EUR	1.294	1.294	1.294	1.281
Denmark Kroner - DKK	0.131	0.131	0.131	0.130
Sweden Kronor - SEK	0.116	0.116	0.115	0.113
United Kingdom Pounds - GBP	1.442	1.442	n/a	n/a
Australia Dollars - AUD	0.679	0.679	0.675	0.662

1. The statistics for 2014 are not available until March 2015.

## Appendix C - Activity definitions

1. Member Transactions	
1a. Pension Payments	<p>Annuity payments: paying incepted pensions for disability, early and normal retirees and their survivors, including:</p> <ul style="list-style-type: none"> <li>• EFT processing.</li> <li>• Check processing and postage.</li> <li>• Resolving failed, misdirected and lost payments.</li> <li>• Paying, but not calculating, adjustments to pensions. For example, many systems pay retroactive adjustments to pensions initiated based on incomplete data.</li> <li>• Collecting overpayments.</li> <li>• The processing of return payments from annuitants.</li> <li>• Stopping pension payments upon the death of an annuitant.</li> </ul> <p>Deductions: processing deductions from the gross pension payment. For example:</p> <ul style="list-style-type: none"> <li>• Processing and paying taxes and other governmental deductions, such as social security.</li> <li>• Processing legally required deductions such as liens on wages ordered by a judge.</li> <li>• Processing and effecting payment of optional deductions that the member can request, such as for health care or optional life insurance or union dues.</li> <li>• Processing and mailing of check stubs or EFT payment advices.</li> <li>• Processing and mailing of annual tax receipts to annuitants.</li> <li>• Keeping track of the rules and regulations for deductions.</li> </ul> <p>Confirming payment eligibility. This includes:</p> <ul style="list-style-type: none"> <li>• Cross referencing pension payrolls with death records.</li> <li>• Obtaining proof that someone is alive.</li> <li>• Checking eligibility.</li> </ul> <p>If a sister organization performs any of the above tasks, then the costs incurred by the sister organization should be included here and in your Total Costs.</p> <p>Do NOT include:</p> <ul style="list-style-type: none"> <li>• Maintaining banking, address and beneficiary data for retirees. These belong in 3c Data not from employers.</li> <li>• The work of inflation adjustments. It belongs in 1b Pension Inceptions.</li> </ul>
1b. Pension Inceptions	<p>New annuitants: calculating, finalizing and arranging annuity pensions to new payees including:</p> <ul style="list-style-type: none"> <li>• Early and normal service retirements.</li> <li>• Death in-service or on-pension resulting in annuity payments to spouse or dependents.</li> <li>• Divorce that results in new annuity pension streams.</li> <li>• Exclude disability inceptions (except Dutch systems). Disability belongs in 1e Disability.</li> </ul> <p>Changes to gross: anything that changes the gross amount of pensions (excluding disability pensions) paid to existing pensioners including:</p> <ul style="list-style-type: none"> <li>• Adjusting pensions that were initiated based on incomplete or estimated data.</li> <li>• Reductions to the annuity payment when pensioner begins receiving social security (NL: AOW, Canada: CPP).</li> <li>• Cost of living adjustments for pensioners.</li> <li>• Last survivor options that reduce the amount paid to the pensioner when a spouse dies.</li> <li>• High/Low construction: Reducing the gross annuity paid from the "High" amount to the "Low" amount.</li> <li>• Pop-up options that increase the amount paid to the pensioner if spouse dies first.</li> <li>• Redesign of the payment option (such as changing from 0% survivor to 50% survivor) at request of the annuitant.</li> </ul> <p>Time spent by the pension inception team on appeals about annuity pension inceptions. Exclude time and cost of legal staff or external legal counsel. Legal costs belong in 7d Legal.</p>

## Appendix C - Activity definitions

<p>1c. Withdrawals and Transfers-out</p>	<ul style="list-style-type: none"> <li>• Withdrawals and refunds of contributions.</li> <li>• Lump sum and commuted value payments.</li> <li>• Pre-retirement death that results in a final payment (refund, commuted value, death payment).</li> <li>• One time death payments that are supplemental to the annuity payments. Do not include the cost of paying or stopping the final pension payment which belong in 1a Pension Payments.</li> <li>• Hardship withdrawals (including partials).</li> <li>• Excess contribution refunds (For example, 50% Rule Refunds in Canada).</li> <li>• Individual rollovers of DB monies to internal DC accounts which effectively terminate the DB pension entitlement.</li> <li>• Individual transfers-out of monies to authorized external systems.</li> <li>• Collective transfers-out when an employer exits your system.</li> </ul> <p>The activity also includes:</p> <ul style="list-style-type: none"> <li>• Providing written estimates of refunds and transfers-out (do not include estimates for Lump Sums and Commuted Value Payments which belong in 2e Written Pension Estimates).</li> <li>• Calculating, arranging and making estimated and final payments.</li> </ul> <ul style="list-style-type: none"> <li>• Related tax deductions, filings and reporting sent to members and tax authorities.</li> <li>• Reminders to speed up processing by external parties.</li> <li>• Collecting overpayments of lump sums or other terminating payments.</li> </ul>
<p>1d. Purchases and Transfers-in</p>	<ul style="list-style-type: none"> <li>• Service credit purchases for refunded past service, military service, etc.</li> <li>• Purchases that provide members with additional pensionable salary but not service credit. For example at Ontario Teachers' members receiving Long Term Income Protection benefits can increase their contributions so their pensionable salary keeps pace with the rate of inflation.</li> <li>• Individual transfers-in/ rollover of monies from external retirement systems.</li> <li>• Collective transfers-in such as when a new employer is merged into your system.</li> </ul> <p>The activity also includes:</p> <ul style="list-style-type: none"> <li>• Providing formal written estimates of purchases and transfers-in/ rollovers.</li> <li>• Posting purchases and applying payments.</li> <li>• Receiving purchase payments.</li> <li>• Related tax reporting sent to members and tax authorities.</li> <li>• Purchases applicant dealing directly with the Purchase division, subsequent to an initial request for a Purchase.</li> </ul>
<p>1e. Disability</p>	<p>Include only if you are responsible for the administration of non-optional long term disability, and/ or short term disability, including:</p> <ul style="list-style-type: none"> <li>• Written disability estimates.</li> <li>• Disability approval process.</li> <li>• Applications and inceptions.</li> <li>• Disability appeals and complaints, provided that they are not handled by your legal staff or external legal counsel. Legal costs belong in 7d Legal.</li> <li>• Monitoring and reviewing disabled pensioners and/ or temporarily disabled members for continuing</li> <li>• Checks on eligibility of disability payments.</li> <li>• Rehabilitation of disability recipients (very few systems perform this activity).</li> <li>• Medical assessment reviews of new hires for eligibility for death and disability benefits.</li> </ul> <p>Do not include if disability is an optional benefit for members. Instead include in 1g. Do not include insurance costs. If an insurance company administers the disability program on your behalf, and you cannot clearly separate the administration cost from the insurance cost, then treat disability as a third party administered benefit. Do not include paying disability pensions. This belongs in 1a Pension Payments.</p>

## Appendix C - Activity definitions

1f. Healthcare Administration	<p>This activity only applies to the subset of U.S. systems that administer healthcare. Include only the costs of the healthcare department and any healthcare activities that are not closely integrated with pension administration activities (i.e., If the healthcare call center is separate from the pension administration call center, include its costs and volumes here. But if healthcare calls are integrated with the pension call center, include the costs and volumes in the Call Center activity.). The healthcare department will usually, at a minimum, be responsible for design, vendor management and enrolment.</p> <p>Do NOT include any activities that are integrated with pension administration and not done by the healthcare department. For example:</p> <ul style="list-style-type: none"> <li>• Communication activities such as call center calls and presentations are often integrated with pension administration. In these cases the cost and volumes belong in the pension administration activity.</li> <li>• Similarly, the legal and actuarial departments often handle both healthcare and pension issues. If this is the case, these costs belong in activities 7c Actuarial and 7d Legal and Rules Interpretation.</li> </ul>
1g. Optional and Third Party Administered Benefits	<p>Examples of optional and third party administered benefits are:</p> <ul style="list-style-type: none"> <li>• Benefits that are supplemental to the members' primary pension benefit at retirement. Examples include tax deferred savings plans (i.e., 403B, 457, 401k and 401a), insurance (dental, vision, long-term care) and loans to members.</li> <li>• Third party administered benefits. For example, the defined contribution portion of hybrid DB/DC plans are often outsourced.</li> </ul> <p>Include the costs of:</p> <ul style="list-style-type: none"> <li>• Specialists responsible for optional and third party benefits, including design, vendor management and enrolment</li> <li>• Fees paid to third parties to administer outsourced benefits.</li> </ul> <p>Do NOT include:</p> <ul style="list-style-type: none"> <li>• Communication activities such as call center calls, presentations and brochures. These belong in the communication activities. For example, the cost and volumes of call center calls about supplemental benefits belong in 2a Call Center.</li> <li>• Actuarial and legal costs. These belong in activities 7c Actuarial and 7d Legal and Rules Interpretation.</li> </ul>

2. Member Communication	
2a. Call Center	<p>The 'first-line' communication work for active, inactive and annuitant member inquiries. First-line communication includes responding to general questions, initial requests for activity specific work to be performed (such as a request for a written estimate or a refund of contributions, death reporting, change of address or direct deposit or beneficiary), questions about account status or annual statements, advice given over the phone, etc. This activity includes member inquiries by:</p> <ul style="list-style-type: none"> <li>• Telephone: waiting for calls, talking to members on the phone, redirecting calls, training contact center staff, auditing calls, call satisfaction surveying and long distance charges.</li> <li>• Automated information or self-serve lines.</li> <li>• Email: reading, responding to simple requests, redirecting activity specific requests.</li> </ul> <p>Do NOT include:</p> <ul style="list-style-type: none"> <li>• Work performed after the call for activities where costs are collected separately. For example, if a member requests a written pension or benefit estimate, then the cost of preparing it belongs in 2e Written Pension Estimates and not here, even if the work is done in the Contact Center.</li> <li>• Subsequent follow-up activity specific communication. For example, a disability applicant dealing directly with the disability division belongs in 1e Disability.</li> </ul>
2b. Mail Room, Imaging	<ul style="list-style-type: none"> <li>• Managing incoming and outgoing mail.</li> <li>• Incoming written correspondence: sorting, redirecting activity specific requests,.</li> <li>• Scanning and imaging of incoming documents and forms to start a workflow process.</li> </ul> <p>Do NOT include:</p> <ul style="list-style-type: none"> <li>• Postage. This belongs in the activities where they were incurred. For example, the mailing of pension checks, check stubs, EFT advices or annual tax receipts belong in 1a Pension Payments.</li> </ul>

## Appendix C - Activity definitions

2c. 1-on-1 Member Counseling	<ul style="list-style-type: none"> <li>• Walk-in traffic that meets with counselors.</li> <li>• Pre-scheduled 1-on-1 retirement and other counseling. Include pre-scheduled counseling sessions that are conducted via teleconference or over the phone that cover materials sent to the member in advance of the session.</li> <li>• If written pension estimates are prepared during a counseling session the cost belongs in counseling and not in written estimates.</li> </ul>
2d. Member Presentations and Group Counseling	<ul style="list-style-type: none"> <li>• All presentations to members and retirees.</li> <li>• Group retirement counseling.</li> <li>• Webinars.</li> </ul>
2e. Written Pension Estimates	<p>Preparing and sending, by mail or email, customized written estimates in response to requests from individual members regarding:</p> <ul style="list-style-type: none"> <li>• Annuity pensions including early and service retirement.</li> <li>• Giving customized written insight into pension consequences of divorce, death, layoffs, taxes, gaps in pension coverage, etc.</li> <li>• Lump sum or commuted value payouts.</li> </ul> <p>Do NOT include:</p> <ul style="list-style-type: none"> <li>• Estimates for transfers, purchases or refunds of contributions. These belong in 1c and 1d.</li> <li>• Estimates that the member did not request, such as estimates that are automatically sent out when the member is eligible to retire or estimates on member statements. These belong in 2f Mass</li> <li>• Non-written estimates such as verbal estimates provided over the phone or obtained by the member from the website.</li> <li>• Time spent during a counseling session preparing written estimates. This belongs in 2c 1-on-1 Member Counseling.</li> </ul>
2f. Mass Communication to Members and Annuitants	<p>Any benefit related communication that is sent to all members or groups of members. The cost should include design and printing. Examples include:</p> <ul style="list-style-type: none"> <li>• Member statements.</li> <li>• Brochures and publications.</li> <li>• Newsletters and information letters.</li> <li>• Videos, CD-ROMS.</li> <li>• Website pension content targeted at members and annuitants. Includes design, development and maintenance of the member content, as well as its pro rata share of the website infrastructure.</li> <li>• Annual reports and popular annual report summaries, but do not include the accounting and auditing costs incurred to prepare the annual report. Accounting costs belong in 4a Financial Administration and Control and auditing costs belong in 7e Audit.</li> <li>• Welcome kits.</li> <li>• Letters informing members when they reach or approach certain milestones such as becoming vested, eligible for disability, eligibility for retirement, etc.</li> </ul> <p>Do NOT include:</p> <ul style="list-style-type: none"> <li>• Pre-scheduled retirement counseling done in group sessions or 1-on-1 or member presentations. These</li> <li>• 1-on-1 correspondence. These costs belong in the activity to which the correspondence pertains. For example, correspondence re: pension estimates belongs in 2e Written Pension Estimates.</li> <li>• Payment advices, check stubs, letters informing of changes in gross amount, and annual tax receipts prepared for retirees. These belong in 1a Pension Payments.</li> <li>• Employer targeted communication such as the employer portions of the website and employer newsletters. These belong in 3c Service to Employers.</li> </ul>

## Appendix C - Activity definitions

3. Collections and Data Maintenance	
3a. Data and Money from Employers	<ul style="list-style-type: none"> <li>• Collection and cashing of member and employer contributions from employers.</li> <li>• Collection of member data (service credit, salary, personal information, employer, etc) from employers.</li> <li>• Reconciliation of required versus remitted money.</li> <li>• Analysis, correction and confirmation with employer of member data.</li> <li>• Setting up the data and money collection process for new employers.</li> <li>• Improving the data collection process for existing employers (i.e., converting paper systems to electronic, etc).</li> <li>• Registering member choices and instructions that are received through the employer. For example:               <ul style="list-style-type: none"> <li>▫ Some hybrid DB/ DC systems require that a member's DC instructions come through the employer.</li> <li>▫ Members at some Dutch systems can choose to contribute more to get early retirement. This choice is registered via the employer.</li> </ul> </li> </ul> <p>(The activities below used to be in a separate activity 'Billing and Inspection' and are now merged into 3a Data and Money from Employers)</p> <ul style="list-style-type: none"> <li>• Advising employers of the required contribution rate (but excluding the actuarial cost of determining the rates which belongs in 7c Actuarial).</li> <li>• Billing employers for regular contributions, special contributions to cover funding shortfalls, additional payments to retirees funded by the employer, etc.</li> <li>• Collecting bad debts. But do not include legal costs. These belong in 7d Legal.</li> <li>• Employer reviews or audits. For example, several systems perform on-site reviews of employers that have problems providing data and or contributions on a timely basis. They want to ensure that the employers are correctly fulfilling their obligations to their members.</li> <li>• Inspection and enforcement of obligation to participate in the System (i.e., participation in some Dutch industry funds is mandatory if the employer has certain characteristics).</li> </ul>
3b. Service to Employers	<ul style="list-style-type: none"> <li>• Training employers.</li> <li>• Helping new employers.</li> <li>• Maintaining employer relationships.</li> <li>• Presentations, counseling, workshops for employers.</li> <li>• Publications and newsletters for employers (as opposed to materials sent to members through employers).</li> <li>• Employer helpdesk/ Employer Call Center.</li> <li>• Employer website including the design, development and maintenance. as well as the pro rata share of the website infrastructure.</li> <li>• Advice, account management, HRM support re: pensions</li> </ul> <p>Do NOT include marketing to employers. Marketing costs belong in 4c Government and Public Relations.</p>
3c. Data Not From Employers	<p>Gathering and maintaining member data that is not provided by employers including:</p> <ul style="list-style-type: none"> <li>• Retiree and Inactive data maintenance such as change of address, change of beneficiary, change in marital status, death, registering changes in payments, etc.</li> <li>• Tracking 'lost' inactive members.</li> <li>• If applicable, registering cost of living adjustments to the salary base of inactive members (a few systems do this).</li> <li>• Registering the impact of divorce on the future rights of members. But do not include the work of estimating the impact of divorce which belongs in either 2e Written Pension Estimates, 2c 1-on-1 Counseling and or 2a Call Center. Also do not include the cost of changing or initiating pensions as a result of divorce. This belongs in 1b Pension Inceptions.</li> <li>• Billing and collecting contributions directly from inactive members. For example, nurses in the Netherlands can continue to contribute to their pension even if they are inactive.</li> <li>• Registering member choices and instructions that are received directly from the member. For example:               <ul style="list-style-type: none"> <li>▫ Defined Contribution instructions obtained directly from active, inactive or retired members, such as changes in asset allocation.</li> </ul> </li> </ul> <p>Do NOT include the cost of incepting new pensions or determining changes to the gross amount of the pension paid to retirees. This belongs in 1b Pension Inceptions.</p>

## Appendix C - Activity definitions

4. Governance and Financial Control	
4a. Financial Administration and Control	<ul style="list-style-type: none"> <li>• Budgeting and forecasting.</li> <li>• Financial reporting including preparing the annual report.</li> <li>• The chief financial officer's office including assistants. Exclude time spent on investments.</li> <li>• Compliance unless it is done by the legal department. If this is the case compliance costs belong in 7d Legal and Rules Interpretation.</li> <li>• Risk control</li> </ul> <p>Do NOT include:</p> <ul style="list-style-type: none"> <li>• Internal auditing of activity processes, or auditing of financial statements. These belong in 7e Auditing.</li> <li>• Actuarial work. This belongs in 7c Actuarial.</li> <li>• Printing and mailing, including postage, of annual reports to members. This goes in 2f Mass Communication .</li> <li>• Administration work that pertains to the Investment division, such as investment accounting.</li> </ul>
4b. Board, Strategy, Policy	<ul style="list-style-type: none"> <li>• Board of Trustees: elections, fees, expenses, etc.</li> <li>• The CEO's office including assistants. Exclude time spent on investments (when in doubt we suggest 50% administration, 50% investments).</li> <li>• Benchmarking studies, strategic planning, fiduciary audits, asset liability studies. But exclude portions attributed to investments.</li> <li>• New and existing plan/ product development.</li> <li>• Strategic market research.</li> </ul> <p>Do NOT include:</p> <ul style="list-style-type: none"> <li>• Actuarial or legal advisors to the Board. These costs belong in 7c Actuarial and 7d Legal, respectively.</li> </ul>
4c. Government and Public Relations	<ul style="list-style-type: none"> <li>• Maintaining relationships with government, unions and employer organizations.</li> <li>• Anticipating, influencing and initiating plan rule changes by government, by unions, by employers, and by employer organizations.</li> <li>• Costs of coordination with organizations of employers and employees.</li> <li>• Formulating a Governmental Policy document.</li> <li>• Media relations.</li> <li>• Marketing costs to attract new employers, or new members, or to support the position of the pension fund within the industry or other interest groups.</li> <li>• General communication/ marketing to support the position of the pension system in the community or in the industry.</li> <li>• Memberships in Councils of Industry Funds, Company Funds or International Organizations.</li> </ul>

## Appendix C - Activity definitions

<b>5. Major Projects</b>	
5a. Amortization of non-IT major projects	<p>Current year amortization of the non-IT portion of capitalized major projects.</p> <p>Major Projects are long lived assets that are capitalized (under GAAP or GASB 51) and expensed over their useful life, which is greater than one reporting period. Examples of non-IT major projects could include if the costs were capitalized: i) a large, one-time historic data cleaning project, or, ii) imaging all historic records.</p> <p>Do NOT include:</p> <ul style="list-style-type: none"> <li>• Amortization of the IT portion major projects. This belong in activity 6a.</li> <li>• Amortization of leaseholds or office furniture. This belongs in activity 7a Building and Utilities.</li> </ul>
5b. Non-IT major projects (if you don't capitalize)	<p>If you do not capitalize major projects, then include the current year cost of the non-IT portion of major projects that could be capitalized under GASB 51 or GAAP.</p> <p>Do NOT include the IT portion of major projects. This belong in activity 6b.</p>
5c. Amortization of IT major projects	<p>Current year amortization of the IT portion of capitalized major projects.</p> <p>Major Projects are long lived assets that are capitalized (under GAAP or GASB 51) and expensed over their useful life, which is greater than one reporting period. An example of an IT major project could be a major software development project in the application stage of development, i.e., design, software configuration, software interfacing, coding, installing hardware and testing.</p> <p>Do NOT include:</p> <ul style="list-style-type: none"> <li>• Amortization of the non-IT portion major projects. This belongs in activity 5a.</li> <li>• Amortization/depreciation of IT infrastructure such as mainframes and servers. This belongs in 6a.</li> <li>• Amortization/depreciation of desktop hardware and software, or telecommunications equipment. This</li> <li>• Amortization of projects that relate to investment management</li> </ul>
5d. IT major projects (if you don't capitalize)	<p>If you do not capitalize major projects, then include the current year cost of the IT portion of major projects that could be capitalized under GASB 51 or GAAP.</p> <p>Do NOT include the non-IT portion of major projects. This belong in activity 5b.</p>
<b>6. Information Technology</b>	
6a. IT Strategy, Database Management and Applications (excl. major projects)	<ul style="list-style-type: none"> <li>• IT management and strategy.</li> <li>• IT architecture.</li> <li>• Data center i.e., current year cost (whether cash or amortization) of mainframe, servers, data center</li> <li>• Training.</li> <li>• Head of the IT department's office.</li> <li>• Database management including: <ul style="list-style-type: none"> <li>• Building databases.</li> <li>• Testing databases for data integrity.</li> <li>• Maintaining databases.</li> <li>• Ensuring operation of databases.</li> </ul> </li> <li>• Application maintenance, enhancement and development that is not capitalized.</li> <li>• Project management that is not included in Major Projects.</li> </ul> <p>Do NOT include the portion of the above that relates to investment management.</p>
6b. IT Desktop, Network, and Telecommunications	<ul style="list-style-type: none"> <li>• User services including application licenses, personal computer hardware and software, help desk.</li> <li>• Network (i.e., LAN/ WAN, network security).</li> <li>• Telecommunications including call center equipment and mobile devices.</li> </ul> <p>If any of the above costs are capitalized, include current year amortization.</p> <p>Do NOT include the portion of the above that relates to investment management.</p>

## Appendix C - Activity definitions

7. Support Services	
7a. Building and Utilities	<ul style="list-style-type: none"> <li>• Building occupancy costs including rent, lease, amortization of leaseholds and building and office furniture depreciation.</li> <li>• Building insurance.</li> <li>• Building maintenance services such as custodial, maintenance, security services etc.</li> <li>• Utilities.</li> </ul> <p>Do NOT include the portion of the above that relates to investment management.</p>
7b. Human Resources	<ul style="list-style-type: none"> <li>• Human resources staff and human resources consulting, including recruitment, training, career development, induction, disciplinary action etc.</li> <li>• Include time spent in the development of the HR framework, including policies and procedures.</li> </ul> <p>Do NOT include:</p> <ul style="list-style-type: none"> <li>• Time spent by non HR staff interviewing or training. For example the training of a call center agent belongs in activity 2a Call Center.</li> <li>• The portion of the above that relates to investment management.</li> <li>• Recruitment fees - these should be added to the staff costs of the people to which they relate in the different business units.</li> </ul> <p>Do NOT include separation or severance costs here. These belong in the 'Third Party and Other Costs' of the activities that the terminated FTE performed.</p>
7c. Actuarial	<p>All internal actuarial department costs, external actuarial fees and sister-entity cross charges for actuarial work including:</p> <ul style="list-style-type: none"> <li>• Actuarial work for financial and government reporting.</li> <li>• Actuarial work to determine funding policy, contribution rates or billing rates.</li> <li>• Quantifying the impact of changes in the plan.</li> <li>• Advice on plan design / redesign, funding and contributions, the employer's covenant, mergers and acquisitions etc.</li> <li>• Inception, disability and healthcare calculations that require actuarial input.</li> <li>• Formulating an Actuarial Policy document.</li> </ul>
7d. Legal and Rule Interpretation	<ul style="list-style-type: none"> <li>• All external legal fees.</li> <li>• Internal legal department (including legal fees charged by sister organizations or the corporate parent)</li> <li>• Appeals concerning pension inceptions (as well as any other appeals) if they are handled by the legal department or by external legal counsel.</li> <li>• Plan contract amendments. Adding new participating employers.</li> <li>• Interpretation of existing rule sets and laws.</li> <li>• Developing rules that simplify the interpretation of the plan contract and related legislation on behalf of staff, employers or members.</li> <li>• Support to the communications department in writing brochures and other communication material.</li> </ul> <p>Do NOT include the portion of the above that relates to investment management.</p>
7e. Internal and External Audit	<ul style="list-style-type: none"> <li>• Fees paid to the external auditor, particularly for the audit opinion on the accounts.</li> <li>• The external auditor may be the public audit office or an independent audit firm - in either case these fees or charges belong in the '3rd Party Fees' column.</li> <li>• The costs of internal audit, quality assurance and/or operational risk management departments.</li> </ul>
7f. Benefits Paid for Retired Staff	<p>Healthcare and other benefit costs for retired or inactive staff that are paid by the employer (and not via member contributions) on a 'pay-as-you-go' basis.</p> <p>Do NOT include accrued costs for existing staff such as contributions to their pension. These belong in each activity's cost as part of salary and benefits.</p>
7g. Other Support Services	<p>All other pension administration costs that have not been included elsewhere.</p>

## Appendix D - Service model changes

CEM's total service score underwent a substantial overhaul for FY2014. Overall, total service scores were impacted minimally. The changes reflect a greater emphasis on personalization and targeting of member communication, and delivering service to members via electronic means:

- 1 Banking services - Removed from the paying pensions score due to the ability to make these banking deductions online.
- 2 Payment advices - Viewing advices online is the most efficient and highest service. Therefore, systems that provide payment advices online get full points. Systems that still send paper, and can comply with a members request not to send payment advices, also receive the highest score.
- 3 Survivor pension inceptions - Participants are no longer deducted points for requiring survivors to apply for a survivor pension.
- 4 Call center service weights - Weightings for the components of the call center service score have changed.
- 5 Call outcomes - Removed distinction between irritating and undesired calls. All are now referred to as undesired calls. For systems that have a callback feature on their telephone systems, uncompleted call backs are now included in undesired call outcomes.
- 6 Call wait times - Systems receive credit if callers are notified of the expected wait time, or their place in the queue, when the expected wait exceeds a certain threshold.
- 7 CRM and other capability - Changed methodology so scoring allocates different points for different capabilities. The new methodology also emphasizes what call center reps can do as more important than what they can see.
- 8 Call quality - Not placing callers on hold gets 0 points. Previously, this was +10 points. Call quality monitoring and first contact resolution are increased by +5 points, each.
- 9 Presentations and group counseling - Live webinar presentation volumes are now included in the score. The scoring for field presentations, group size and streaming online have also changed, from:  
+16 if 95% or more of your presentations are held in the field, otherwise 16 X (percent field presentations / 95%), to +23 if 95% or more of your presentations are held in the field or via live webinar, otherwise 23 X (percent field or live online presentations / 95%)
- 10 Mass Communication - Re-weighted categories, giving greater importance to the Website, and decreased weight to newsletters and member statements.
- 11 Website - Changed methodology so scoring allocates different points for different capabilities. Several online capabilities were also added: live chat, applying for a transfer-out or refund, adding or changing email address, reset password, accessing videos online. Removed website downtime from the service score.

- 12 Newsletters - Renamed activity to 'News and Targeted Communication', and merged 'Other mass communication' into this category. Points for frequency of newsletter mailings is decreased, and targeting of newsletters, increased. Several custom, personalized letters were also added: eligibility to purchase service credit, when a member's disability benefits are about to expire, when a member has no beneficiary on file, members who have never visited the secure member area. Removed points for: choice between receiving newsletters electronically or by mail, if newsletters are mailed directly to an active member's home or delivered electronically.
- 13 Satisfaction Surveying - The new methodology recognizes member satisfaction surveying does not need to be done as frequently. Therefore, for all of the activities, systems receive full frequency points if surveys are issued either continuously or more than 11 times per year (versus the previous 26 times per year). The new score also recognizes being able to summarize results by topic for the following surveyed activities: 1-on-1 counseling, calls, website. Points are also received for waiting at least a day before issuing a survey for 1-on-1 counseling, member presentations and calls.

## Appendix E - Defaults

Survey Question	Method	Default
Q21 How many written estimates for refunds/ terminations/ transfer-outs did you prepare in response to member requests? [Include all estimates whether they result in a refund or not.]	Your response was unknown. We have used as a default the value that ensures that the ratio of this value to the number of refunds and transfers-out is equal to the all-participant average ratio.	8,367
Q37 In the table below, indicate whether or not each described outcome can occur when a member calls into your system seeking a knowledgeable person during business hours, and if yes, indicate the volume of occurrences.  d) # Abandoned calls i.e. caller hangs-up while in a menu?	Your response was unknown. As a default we used number of incoming member calls multiplied by estimated percentage of calls to the member communications center that the caller abandons which, if unknown, was replaced by the all-participant average.	10,155
Q57 Provide the number of members counseled 1-on-1 that were:  c) At the member's place of employment?	Your response was unknown. We used a default value of 0.	0
Q63 Do you provide 1-on-1 counseling in the field?  b) Member's place of employment?	Your response was unknown. We used a default value of 0.	0