

City of San Jose VEBA

Administrative Fee Scenario Analysis - March 2021

Plan Assumptions (12/31/20)		Voya Reimbursement Per Min % Fixed		+/- FY Budget	Calculation Scenario Range	
Plan \$:	\$39,138,467	60%	\$75,000	-\$112,495	Min. % Fee:	0.15%
# Participants:	3,530	65%	\$87,500	-\$99,995	% Fee Step:	0.05%
Current % Fixed:	71%	70%	\$100,000	-\$87,495	Min Plan Growth:	-3.00%
FY 21/22 Budget:*	\$187,495	75%	\$125,000	-\$62,495	% Plan Step:	3.00%

*Includes an assumed \$25,000 repayment to the City.

Annual % Admin Fee Needed: FY 21/22						
Ann. Plan Growth Scenarios / % Fixed	-3%	0%	3%	6%	9%	12%
60%	0.296%	0.287%	0.279%	0.271%	0.264%	0.257%
65%	0.263%	0.255%	0.248%	0.241%	0.234%	0.228%
70%	0.230%	0.224%	0.217%	0.211%	0.205%	0.200%
75%	0.165%	0.160%	0.155%	0.151%	0.146%	0.143%

The percentages in the table above represent what administrative fee would be needed to cover the Fiscal Year 2021/2022 budget, after reducing the budgeted amount by Voya's reimbursement based on the percent of assets assumed to be held in its Fixed Account. Cases where Voya's reimbursement is estimated to exceed the budget are listed as "NA."

Annual \$ Admin Revenue Received: FY 21/22						
Ann. Plan Growth Scenarios / Admin Fee	-3%	0%	3%	6%	9%	12%
0.15%	\$56,946	\$58,708	\$60,469	\$62,230	\$63,991	\$65,753
0.20%	\$75,929	\$78,277	\$80,625	\$82,974	\$85,322	\$87,670
0.25%	\$94,911	\$97,846	\$100,782	\$103,717	\$106,652	\$109,588
0.30%	\$113,893	\$117,415	\$120,938	\$124,460	\$127,983	\$131,505

The dollar amounts shown in the table above represent how much administrative revenue would be received in Fiscal Year 2021/2022 for a given percentage fee and growth in assets.

Annual Per-Head Equivalent of Admin Revenue Received: FY 21/22						
Ann. Plan Growth Scenarios / Admin Fee	-3%	0%	3%	6%	9%	12%
0.15%	\$16.13	\$16.63	\$17.13	\$17.63	\$18.13	\$18.63
0.20%	\$21.51	\$22.18	\$22.84	\$23.51	\$24.17	\$24.84
0.25%	\$26.89	\$27.72	\$28.55	\$29.38	\$30.21	\$31.05
0.30%	\$32.27	\$33.26	\$34.26	\$35.26	\$36.26	\$37.26

This table shows the figures in the preceding "Annual \$ Admin Revenue Received: FY 21/22" table, divided by the number of participants. The resulting figure is a per-head equivalent of the percentage-of-assets administrative fee from the preceding table.

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Administrative Fee Scenario Analysis (continued) - March 2021

Total Annual % Cost Per Account Balance						
Account Balance / Admin Fee	\$3,000	\$6,000	\$9,000	\$12,000	\$15,000	\$18,000
0.15%	1.27%	0.87%	0.74%	0.67%	0.63%	0.60%
0.20%	1.32%	0.92%	0.79%	0.72%	0.68%	0.65%
0.25%	1.37%	0.97%	0.84%	0.77%	0.73%	0.70%
0.30%	1.42%	1.02%	0.89%	0.82%	0.78%	0.75%
Total Annual \$ Cost Per Account Balance						
Account Balance / Admin Fee	\$3,000	\$6,000	\$9,000	\$12,000	\$15,000	\$18,000
0.15%	\$38.10	\$52.20	\$66.30	\$80.40	\$94.50	\$108.60
0.20%	\$39.60	\$55.20	\$70.80	\$86.40	\$102.00	\$117.60
0.25%	\$41.10	\$58.20	\$75.30	\$92.40	\$109.50	\$126.60
0.30%	\$42.60	\$61.20	\$79.80	\$98.40	\$117.00	\$135.60

The first table provides the estimated "all-in" participant expense, as a percentage of assets, based on the combination of account balances and administrative fees shown, plus an estimated investment expense of 0.32%, Voya record-keeping expense of 0.05%, and per-head expense of TASC of \$24. The second table converts this into a dollar format.