



CITY OF PHOENIX

POST EMPLOYMENT HEALTH PLAN ("PEHP")

FEE AND EXPENSE POLICY STATEMENT

February 10, 2022

Introduction and Purpose

The purpose of the Fee and Expense Policy Statement is to detail procedures for payment of Plan related expenses for the City of Phoenix's Post-Employment Health Plan ("PEHP"). This document is reviewed as needed by the PEHP Board hereinafter "Board" which serve as fiduciaries to the PEHP Plan.

Participant Administrative Fees

PEHP Fees are paid by all participants. Fees are \$6 annually plus 30 basis points (0.30%) on all account balances.

Payment of Expenses

All expenses incidental to the administration or protection of the Plan, and the management of the assets of the Plan, shall be paid by the annual fee and from the assets of the Plan by the Plan participants, unless the Employer chooses to pay such expenses directly.

Expenses may be paid or reimbursed from the Account only upon the review and approval by the Boards, or by such other appropriate fiduciary of the Plan.

Qualified Expenses

Qualified Expenses are the reasonable expenses of administering the Plan and Trust and in accordance with Code Section 501(c)(9) and other applicable laws which include without limitation, the following:

- (a) Ongoing Plan administrative expenses, such as custodial lockbox services, record keeping, legal, auditing, annual reporting, claims processing, insurance and similar administrative expenses;
- (b) Investment advisory, investment management, administrative investment or service fees and expenses;
- (c) Costs incurred in preparing, printing and distributing plan-related documents and other Participant communication materials;
- (d) Costs associated with benefit distributions and transactions;
- (e) Expenses to provide investment assistance and education to Participants; and
- (f) Costs for providing on-going education, including the costs of attending seminars and conferences, for members of the Board, fiduciaries and staff with respect to the Plan as necessary or appropriate to assist in the discharge of their responsibilities to the Plan.

Participant Fees in Excess of Plan Administration Service Provider Costs

The agreements entered between the Employer and Plan Administration Service Provider (“recordkeeper”) state that participants shall pay an explicit fee which shall be used to pay for various aspects of Plan Administration. This fee may exceed the amount retained by the recordkeeper to pay for its services.

Fees collected in excess of those retained by the recordkeeper and received by the Plan shall be held in an unallocated trust assets account maintained under the Plan, to be called the Retained Revenue Account, if applicable.

Thereafter funds accrued in this account shall be used exclusively for the benefit of Participants and their Beneficiaries, or to defray the reasonable expenses of administering and managing the Plan.

Allocation of Excess Plan Administration Fees

Excess revenue remaining in the Retained Revenue Account may be allocated to Plan participants at the Boards’ discretion. Such amounts shall be allocated to Plan participants based on their pro-rata share of Plan assets. It is the Board’s intent that the Retained Revenue Account balance not to exceed 2 (0.02%) basis points of Plan Assets. If the Retained Revenue Account balance exceeds 2 basis points, the Board will determine how to allocate the excess balance.

Amendment

This Fee Policy may be amended by a majority vote of the Boards at a meeting called for that purpose.

Approved by PEHP Board vote on this day,

February 10, 2022