

**Defined Benefit Administration  
Benchmarking Analysis**  
Fiscal Year 2011

**Wisconsin Department of Employee  
Trust Funds**

Final Report - 14 March, 2012

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## How you can use this report

- To improve service levels
  - Compare your service levels to your peers
  - Insight into best practices
- To manage costs
  - Understand the factors that influence costs
  - Support arguments for investments in people or infrastructure
- To support business decisions
  - Understand how and where other funds are investing in people, technology, service and growth
- To develop performance goals and standards
  - Develop your performance framework and set realistic goals
  - Measure the impact of major operations changes
- To measure and manage your performance
  - Monitor your annual progress using an outside benchmark
- To communicate to stakeholders
  - Demonstrate success and achievements to governing bodies
  - Show progress to employees to recognize success and motivate

Wisconsin DETF

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

### Participants

#### Australia\*

AusCoal  
 AustralianSuper  
 BUSS(Q)  
 Cbus  
 QSuper  
 REST  
 SunSuper  
 VicSuper

#### Canada

APS  
 BC Pension Corporation  
 Canada Post  
 Defence Canada  
 HOOPP  
 LAPP  
 OMERS  
 Ontario Pension Board  
 Ontario Teachers  
 PWGSC  
 RCMP

#### Denmark

ATP

#### The Netherlands

ABN-AMRO  
 ABP  
 bpfBOUW  
 Pensioenfonds DSM Nederland  
 Pensioenfonds Metaal en Techniek  
 PF Horeca en Catering  
 PFZW  
 Stichting Algemeen Pensioenfonds KLM  
 Stichting Shell Pensioenfonds

#### United Kingdom\*

Irish Construction Workers ' Pension Fund  
 Scottish Public Pension Agency (SPPA)  
 The Pension Protection Fund (PPF)  
 Universities Superannuation Scheme (USS)

#### Sweden

Alecta

#### United States

Arizona SRS  
 CalSTRS  
 Colorado PERA  
 Delaware PERS  
 Idaho PERS  
 Illinois MRF  
 Indiana PRS  
 Iowa PERS  
 LACERA  
 Maine PERS  
 Michigan ORS  
 MOSERS  
 Nevada PERS  
 New Mexico ERB  
 North Carolina RS  
 NYC TRS  
 NYSLRS  
 Ohio PERS  
 Ohio SERS  
 Oklahoma PERS  
 Oklahoma TRS  
 Orange County ERS  
 Oregon PERS  
 San Bernardino County ERA  
 South Dakota RS  
 STRS Ohio  
 TRS Louisiana  
 TRS of Texas  
 Utah RS  
 Virginia RS  
 Washington State DRS  
 Wisconsin DETF

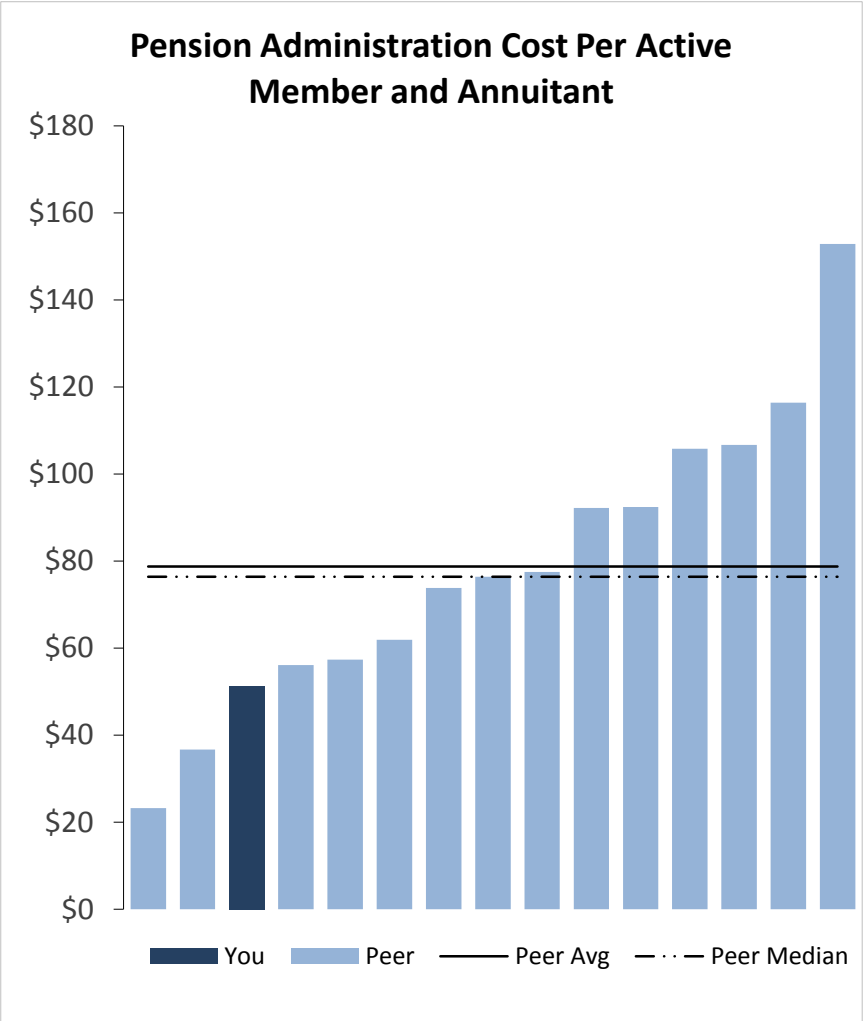
\* Systems from Australia and the UK complete a separate benchmarking survey and hence your analysis does not include their results.

## 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	Annuitants	Total
NYSLRS	545	385	930
North Carolina RS	500	247	747
CalSTRS	430	254	683
Ohio PERS	372	177	549
Michigan ORS	262	239	500
Virginia RS	340	156	496
Washington State DRS	294	139	432
<b>Wisconsin DETF</b>	<b>267</b>	<b>156</b>	<b>422</b>
Indiana PRS	261	122	383
STRS Ohio	203	138	341
Colorado PERA	238	95	333
Arizona SRS	209	113	322
Oregon PERS	194	120	313
Illinois MRF	177	95	272
Iowa PERS	164	99	263
Peer Median	262	139	422
Peer average	297	169	466

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

**Your total pension administration cost was \$51 per active member and annuitant. This was \$27 below the peer average of \$79.**



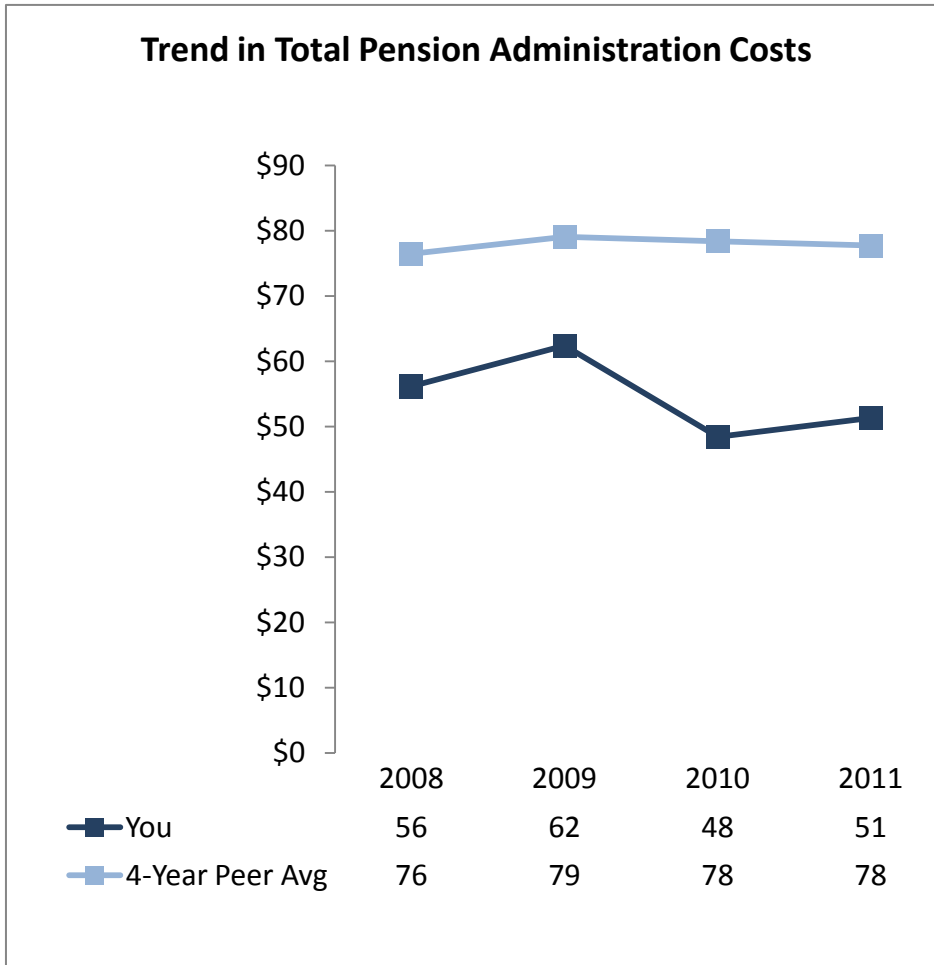
Your total pension administration cost was \$21.7 million. This excludes the fully-attributed cost of administering healthcare, and optional and third-party administered benefits of \$4.9 million.

## Cost comparison per activity.

Activity	(\$000s)	\$s per Active Member and			More/ -Less	
	You	You	Peer Med	Peer Avg	(vs. average) \$s	%
<b>1. Member Transactions</b>						
a. Pension Payments	460	1.09	2.70	3.28	-2.19	-67%
b. Pension Inceptions	616	1.46	3.06	3.75	-2.29	-61%
c. Withdrawals and Transfers-out	498	1.18	1.18	1.59	-0.41	-26%
d. Purchases and Transfers-in	172	0.41	1.13	1.70	-1.29	-76%
e. Disability	1,032	2.44	1.90	2.56	-0.12	-5%
<b>2. Member Communication</b>						
a. Call Center	1,640	3.88	4.38	5.19	-1.31	-25%
b. Mail Room, Imaging	665	1.58	1.58	2.26	-0.69	-30%
c. 1-on-1 Counseling	942	2.23	1.87	2.76	-0.53	-19%
d. Presentations and Group Counseling	525	1.24	1.02	1.08	0.16	15%
e. Written Pension Estimates	850	2.01	0.88	1.09	0.92	85%
f. Mass Communication	576	1.36	2.38	2.85	-1.48	-52%
<b>3. Collections and Data Maintenance</b>						
a. Data and Money from Employers	599	1.42	2.52	2.83	-1.41	-50%
b. Service to Employers	489	1.16	1.24	1.52	-0.36	-24%
c. Data Not from Employers	244	0.58	1.20	1.16	-0.58	-50%
<b>4. Governance and Financial Control</b>						
a. Financial Administration and Control	864	2.04	2.64	2.75	-0.70	-26%
b. Board, Strategy, Policy	1,661	3.93	1.69	1.61	2.33	145%
c. Government and Public Relations	38	0.09	0.41	0.71	-0.62	-87%
<b>5. Major Projects</b>						
a. Amortization of non-IT major projects	0	0.00	0.00	0.14	-0.14	-100%
b. Non-IT major projects (if you don't capitalize)	48	0.11	0.00	0.48	-0.37	-76%
c. Amortization of IT major projects	0	0.00	0.00	0.94	-0.94	-100%
d. IT major projects (if you don't capitalize)	1,226	2.90	1.29	2.95	-0.05	-2%
<b>6. Information Technology</b>						
a. IT Strategy, Database, Applications	2,832	6.70	11.97	12.34	-5.64	-46%
b. IT Desktop, Networks, Telecom	1,965	4.65	4.65	5.76	-1.11	-19%
<b>7. Support Services and Other</b>						
a. Building and Utilities	1,472	3.49	4.17	5.54	-2.06	-37%
b. Human Resources	489	1.16	1.13	1.55	-0.39	-25%
c. Actuarial	286	0.68	0.96	1.26	-0.58	-46%
d. Legal and Rule Interpretation	118	0.28	2.26	3.26	-2.98	-91%
e. Internal and External Audit	417	0.99	1.06	1.42	-0.43	-30%
f. Pay-as-you-go benefits for retired staff	0	0.00	0.00	0.56	-0.56	-100%
g. Other Support Services	963	2.28	1.60	3.83	-1.55	-40%
<b>Total Pension Administration</b>	<b>21,685</b>	<b>51.34</b>	<b>76.40</b>	<b>78.72</b>	<b>-27.38</b>	<b>-35%</b>

Your total cost of \$21.7 million excludes the fully-attributed cost of administering healthcare, and optional and third-party administered benefits of \$4.9 million. Your direct costs per the survey for activities 4, 5, 6 and 7 been reduced by attributions to the excluded activities that add up to \$2.6 million. Refer to section 3, page 19 for details.

## Cost Trends



Your total pension administration cost per active member and annuitant decreased by 3.0% per annum between 2008 and 2011. During this same period, the average cost of your peers with 4 years of consecutive data increased by 0.5% per annum.

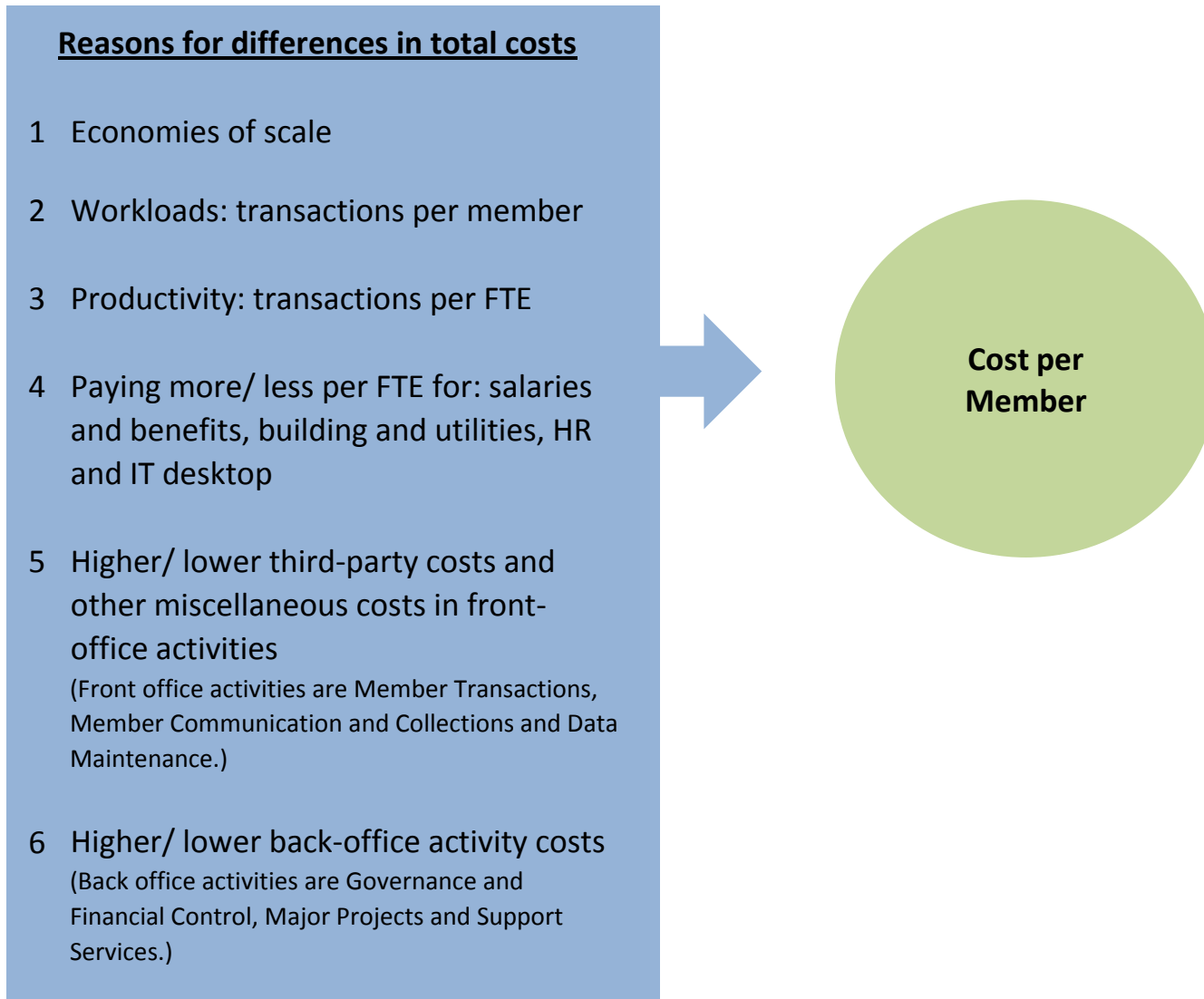
Your decreased cost can be attributed to major projects spending. Your annual major project costs have decreased from \$4.9M to \$1.3M during this period.

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

Major Project costs are no longer averaged over multiple years. Therefore, your historic costs per member may differ from previous reports.



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

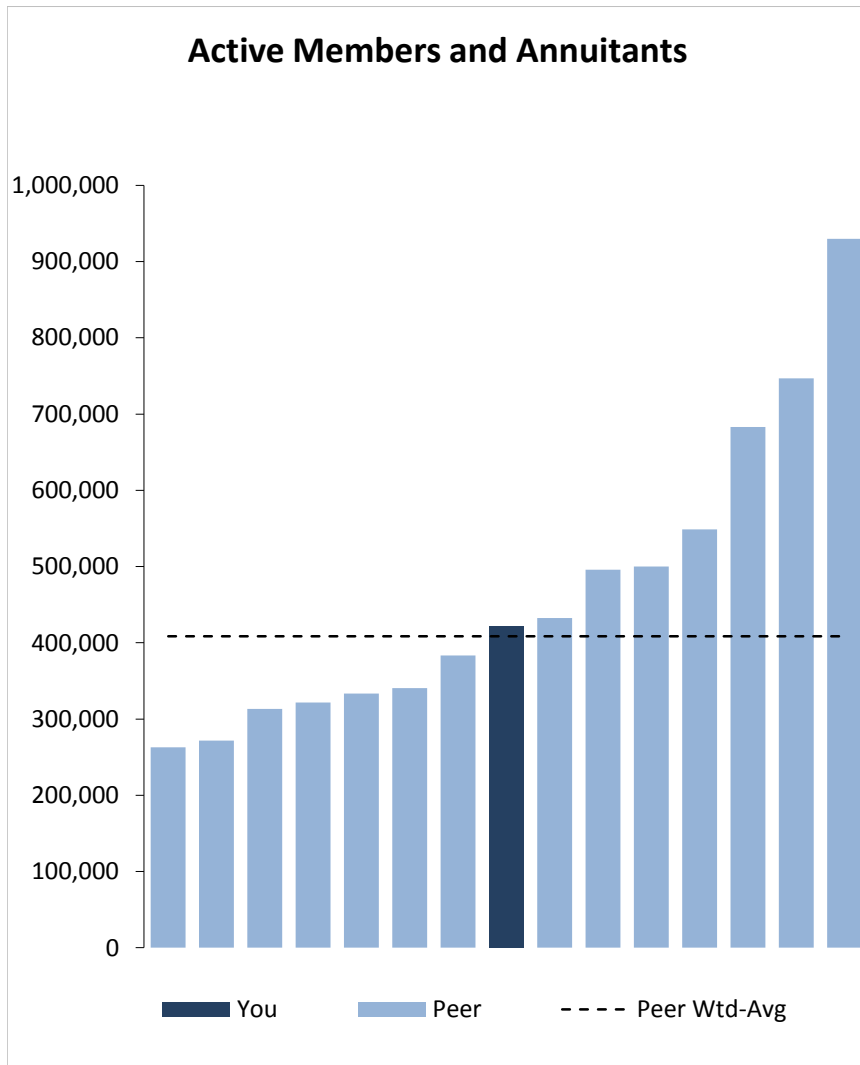


## Reasons why your total cost was \$27 below the peer average.

Reason	Impact
1. Slight economies of scale advantage	-\$0.35
2. Similar transactions per member (workloads)	-\$0.36
3. Higher transactions per FTE (productivity)	-\$7.52
4. Higher costs per FTE for: salaries and benefits, building and utilities, HR and IT desktop	\$2.52
5. Lower third-party and other costs in front-office activities	-\$7.41
6. Paying more/-less for back-office activities:	
- Governance and Financial Control	\$1.05
- Major Projects	-\$2.15
- IT Strategy, Database, Applications	-\$5.50
- Actuarial, Legal, Audit, Other Support Services	-\$7.68
<b>Total</b>	<b>-\$27.38</b>

CEM reconciles to the peer average instead of the peer median because there are interactions between the reasons that would be lost if we used medians. For example, high major project costs may be associated with high productivity. Also the reasons will only add to 100% if we used averages.

## Reason 1: You had a slight economies of scale advantage.



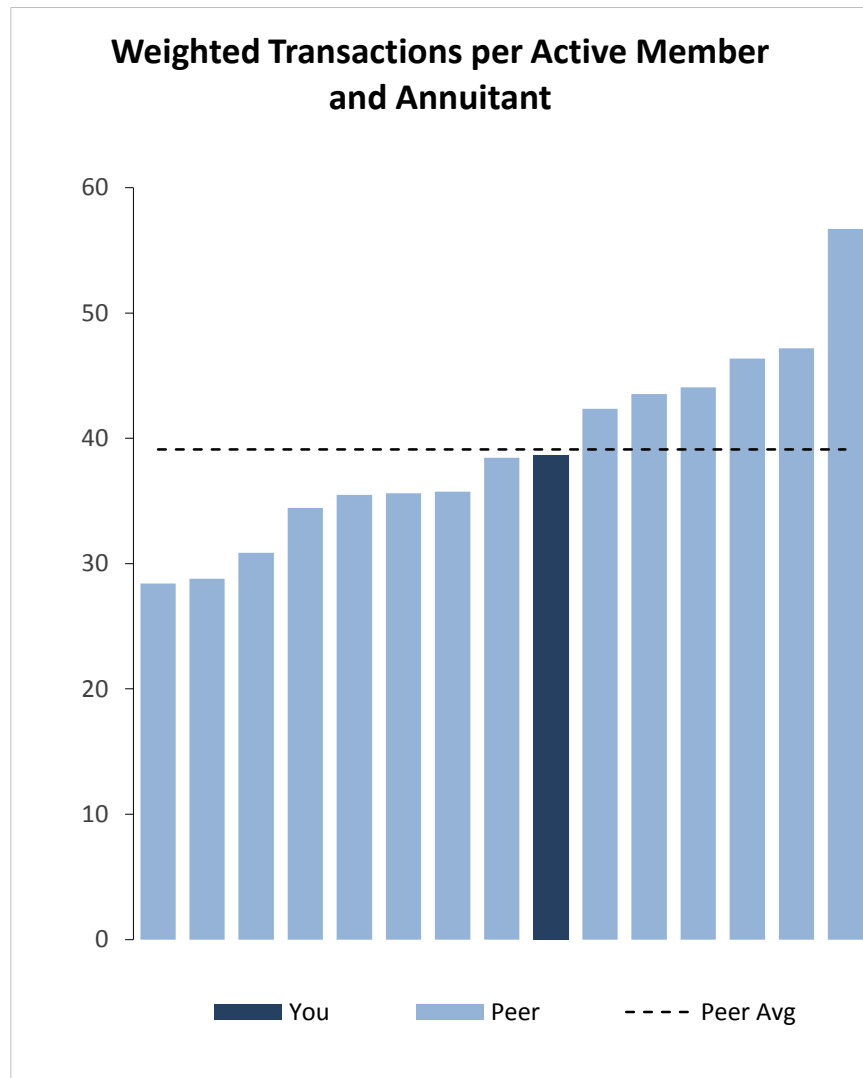
Your system had 3% more members than the peer weighted-average. Your larger size means that you had a cost advantage relative to the average peer of \$0.35 per member.

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.

How Changes in Membership Impact Your Cost			
% Change in Members	# of Members	Predicted Cost per Member	Increase/-Decrease
-75%	105,601	\$81.58	\$30.24
-50%	211,202	\$61.42	\$10.08
-25%	316,803	\$54.70	\$3.36
0%	422,404	\$51.34	\$0.00
+25%	528,005	\$49.32	-\$2.02
+50%	633,606	\$47.98	-\$3.36
+75%	739,207	\$47.02	-\$4.32

The peer-average is weighted with a higher weight to smaller plans because the relationship between size and cost is not linear.

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



Your weighted transactions were 1% below the peer average. Your slightly lower transaction volumes decreased your total cost per member by an estimated \$0.36 relative to the peer average.

Weighted transactions indicates whether you are doing more or fewer transactions per member in aggregate than your peers. The weights used were the median cost per transaction of all participants. 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.

The following page shows where you are doing more and/or fewer transactions by front-office activity.

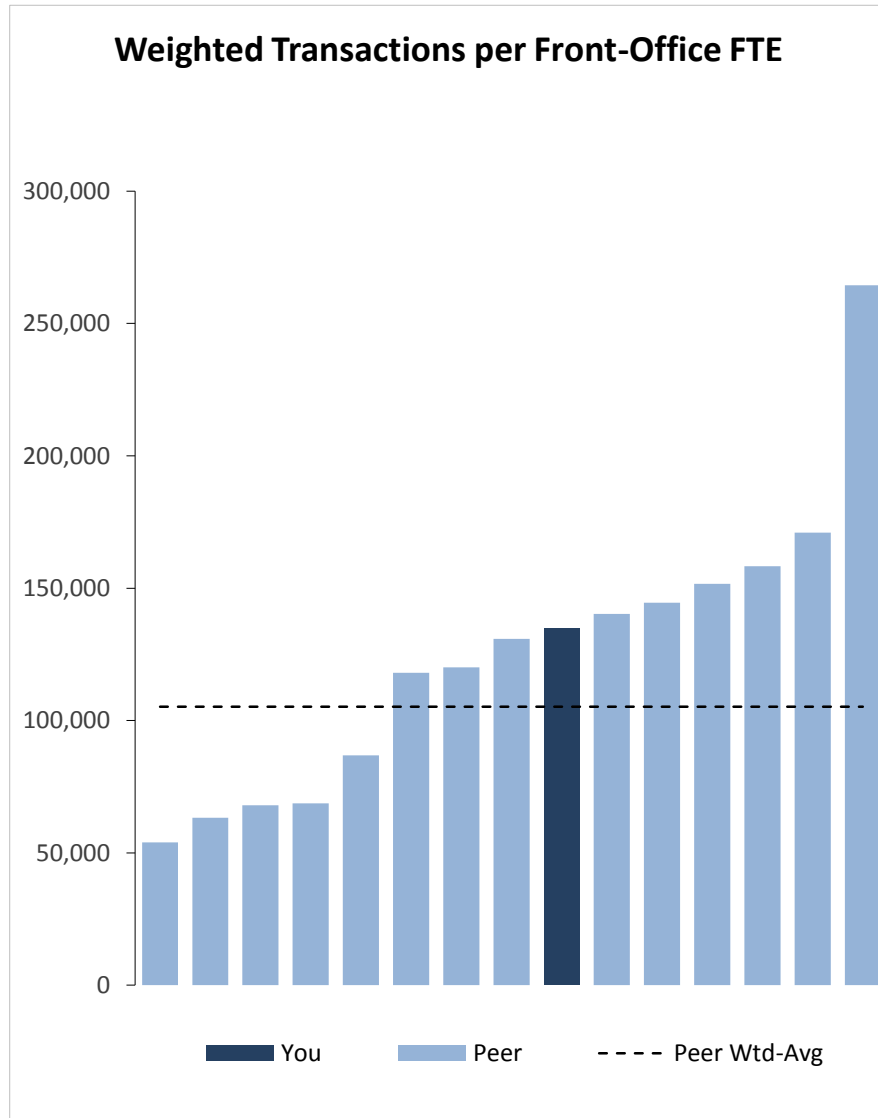
## Where did you do more/fewer transactions?

Where did you do more/fewer transactions?			
Front Office Transactions (or Transaction Driver)	<u>Volume per 1,000 Active Members and Annuitants</u>		
	You	Peer Average	More/ -Less
<b>1. Member Transactions</b>			
a. Pension Payments (Annuitants)	369	359	3%
b. New Payee Inceptions	20	27	-25%
c. Withdrawals and Transfers-out	15	32	-52%
d. Purchases and Transfers-in	3	14	-78%
e. Disability Applications	5.7	2.9	92%
<b>2. Member Communication</b>			
a. Calls and Emails	522	780	-33%
b. Incoming Mail	530	495	7%
c. Members Counseled 1-on-1	20	29	-33%
d. Member Presentations	1.4	1.2	14%
e. Written Estimates	68	29	137%
<b>3. Collections and Data Maintenance</b>			
a. Data and Money from Employers (Active Members)	631	641	-2%
b. Service to Employers (Active Members)	631	641	-2%
c. Data Not from Employers (Actives, Inactives, Annuitants)	1,355	1,400	-3%
<b>Weighted Total</b>	<b>38,636</b>	<b>39,115</b>	<b>-1%</b>

Differences in transaction volumes per member reflect differences in:

- Membership mix (active, inactive, annuitant)
- Member demographics. For example, you may have a higher proportion of active members approaching retirement.
- Member type/ industry group.
- System and plan complexity. For example, if you administer healthcare, you will have higher communication needs.
- Service Levels

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



Your weighted transactions per front-office FTE were 28% above the peer weighted-average (adjusted for economies of scale to avoid double counting). Your higher transaction volumes per FTE decreased your total cost per member by \$7.52 relative to the peer average.

Differences in transaction volumes per FTE are due to differences in:

- Economies of scale. CEM research shows that smaller systems had lower productivity than larger systems
- IT capability / on-line transactions
- Service levels
- Complexity of plan rules
- Staff skills and staff productivity
- Use of consultants versus internal staff
- 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.

## Reason 4: You had higher costs per FTE for: salaries and benefits, IT desktop, networks and telecom, building and utilities, and human resources.

Cost per FTE		
	You	FTE-Wtd Peer Avg
Salaries and Benefits	\$77,075	\$72,705
Building and Utilities	\$8,737	\$9,978
Human Resources	\$2,901	\$2,787
IT Desktop, Networks, Telecom	\$11,659	\$10,361
Total	\$100,373	\$95,831

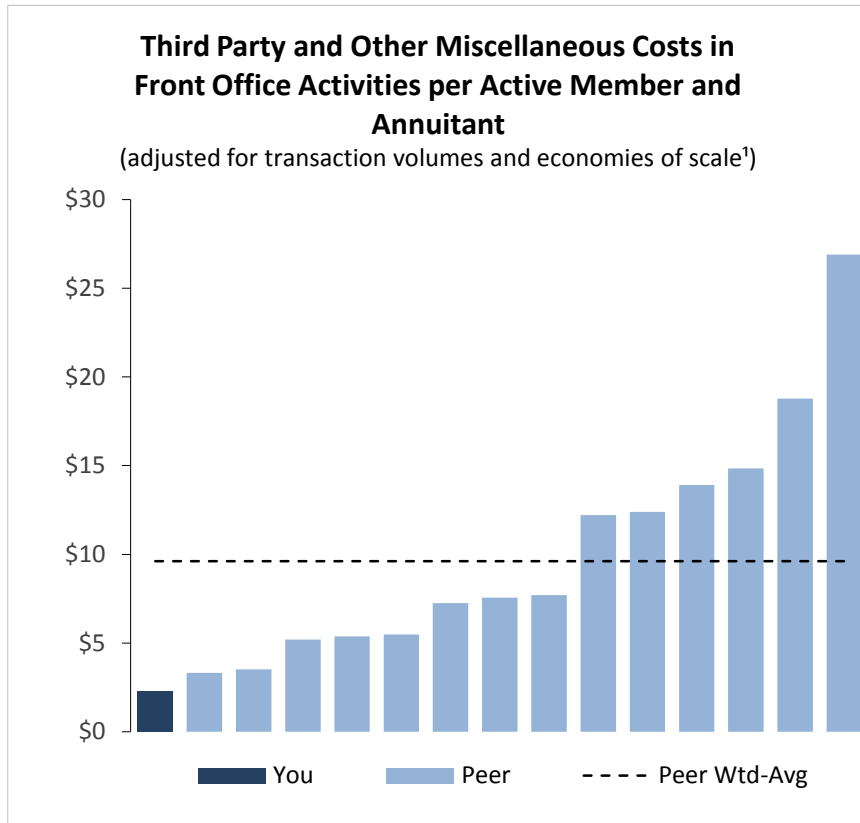
Your higher costs per FTE increased your total cost by \$2.52 per member relative to the peer average.

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.

## 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 \$2.30 per member which was 76% below the adjusted peer weighted average of \$9.62. Your lower third party costs decreased your total cost per member by \$7.41 relative to the peer average.

1. To avoid double counting, peer costs are adjusted for differences in transaction volumes and economies of scale.
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.



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

Back-Office Activities - Adjusted Cost per Member			
Back Office Activities	You	Peer Avg	More/ -less
Governance and Financial Control	\$7.00	\$5.94	\$1.05
Major Projects	\$3.10	\$5.25	-\$2.15
IT Strategy, Database, Applications	\$7.52	\$13.02	-\$5.50
Actuarial, Legal, Audit, Other	\$5.01	\$12.69	-\$7.68
<b>Total</b>	<b>\$22.62</b>	<b>\$36.90</b>	<b>-\$14.28</b>

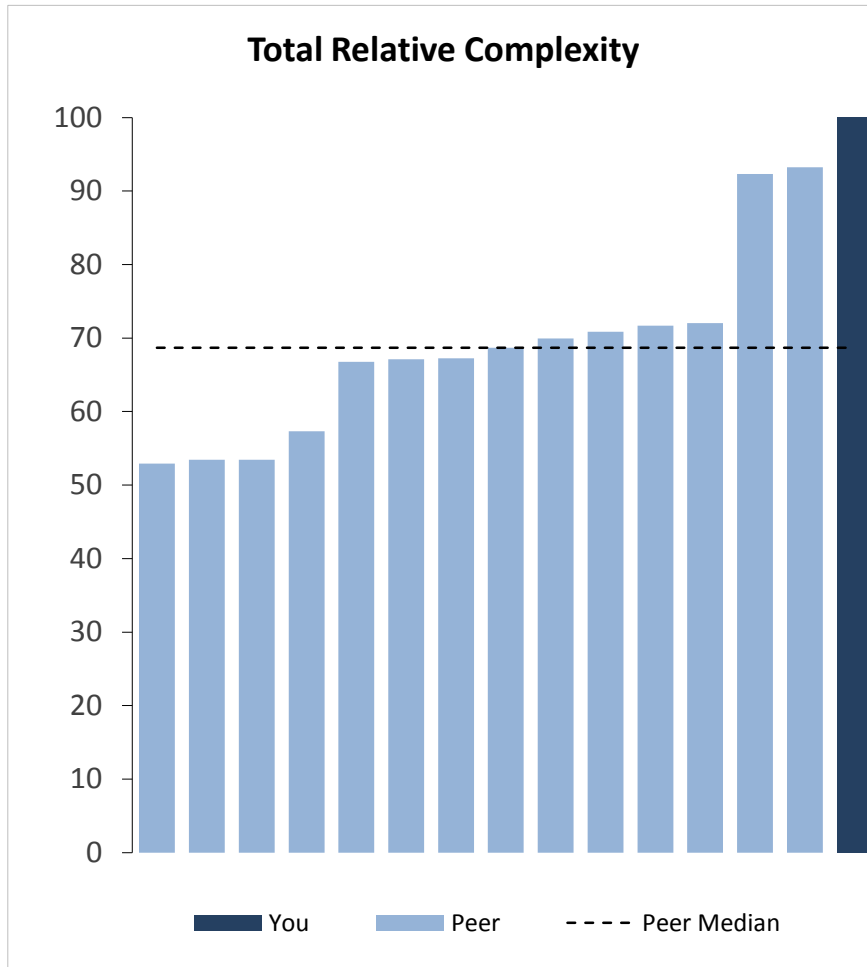
To avoid double counting, back office costs are adjusted for economies of scale and cost per FTE for: salaries, benefits, building, utilities, IT desktop and human resources. Before adjustments, your total costs for the above back-office activities were \$32. The unadjusted peer average was \$51.

Your adjusted cost per active member and annuitant of \$22.62 for back-office activities was below the peer average of \$36.90. Paying less for back-office activities decreased your total cost per member by \$14.28 relative to the peer average.

Differences in cost per member for back-office activities reflects differences in:

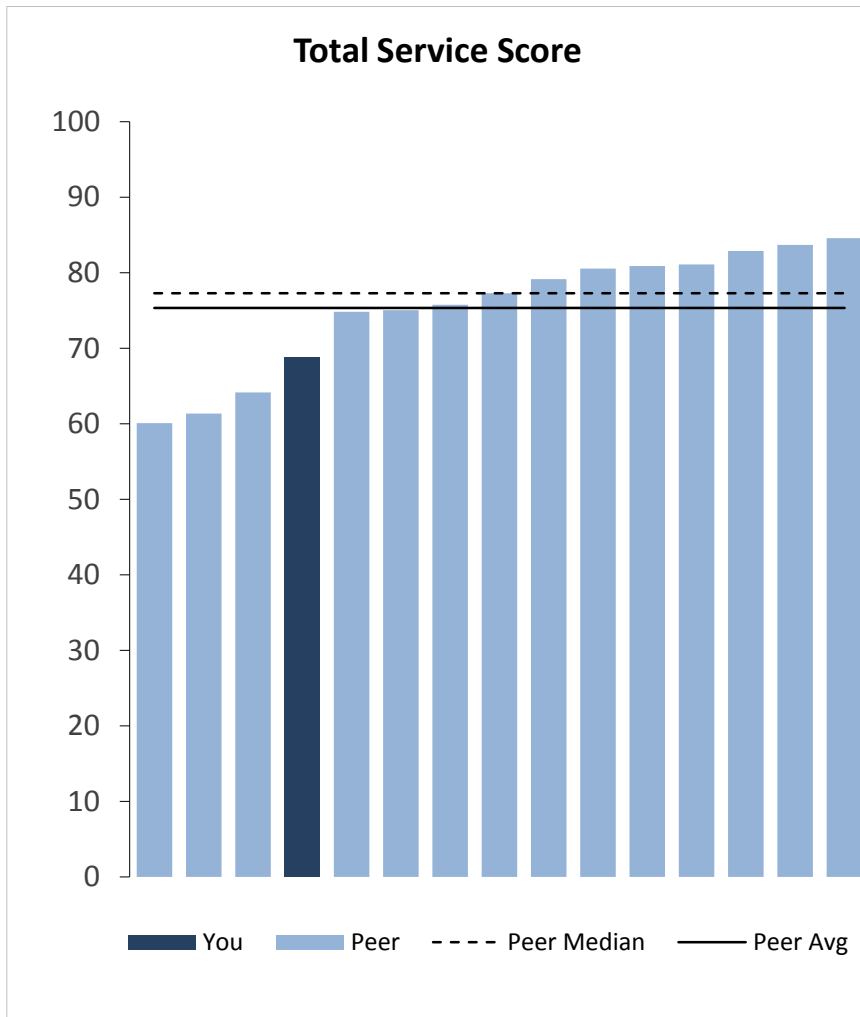
- How much you do. For example, some systems invest more in disaster recovery.
- IT capability
- IT investment cycle
- Plan complexity

**Back-office costs and productivity are impacted by system complexity. Your total relative complexity score of 100 was above the peer median of 69.**



Relative Complexity Score by Cause (0 least - 100 most)		
Cause	You	Peer Median
Pension Payment Options	58	60
Customization Choices	81	14
Multiple Plan Types and Overlay:	100	59
Multiple Benefit Formula	54	57
External Reciprocity	54	0
COLA Rules	12	23
Contribution Rates	62	57
Variable Compensation	100	85
Service Credit Rules	58	58
Divorce Rules	100	55
Purchase Rules	63	71
Refund Rules	31	45
Disability Rules	85	83
Translation	40	0
Defined Contribution Plan Rules	100	100
<b>Total Relative Complexity</b>	<b>100</b>	<b>69</b>

## Your total service score was 69 out of 100. This was below the peer median of 77.



Service is defined from a member's perspective. Higher service means faster turnaround times, more availability, more choice, and higher quality. Examples of key service metrics are shown on the next page.

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 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.
- The weights CEM uses are an approximation of the importance of individual service elements. The weights will not always reflect the relative importance that you or your members attach to individual service elements.

## The total service score is the weighted average of the activity level service scores.

Service Scores by Activity				
Activity	Weight	Score out of 100		
		You	Peer Median	% Higher /-Lower
1. Member Transactions				
a. Pension Payments	19.7%	95	98	-3%
b. Pension Inceptions	7.4%	91	83	10%
c. Withdrawals and Transfers-out	0.3%	28	90	-69%
d. Purchases and Transfers-in	3.1%	84	80	5%
e. Disability	4.8%	82	82	0%
2. Member Communication				
a. Call Center	21.2%	49	60	-18%
c. 1-on-1 Counseling	7.4%	55	86	-36%
d. Member Presentations	6.5%	92	84	10%
e. Written Pension Estimates	4.7%	66	83	-20%
f. Mass Communication				
a. Website	7.6%	41	77	-47%
b. Newsletters	3.8%	80	85	-6%
c. Member statements	6.6%	83	83	0%
d. Other mass communication	0.9%	42	60	-30%
3. Other				
Satisfaction Surveying	5.0%	12	49	-76%
Disaster Recovery	1.0%	41	80	-49%
<b>Weighted Total Service Score</b>	<b>100.0%</b>	<b>69</b>	<b>77</b>	<b>-10%</b>

Employer service is excluded from your total service score. Please refer to Appendix D for methodology changes.

# Biggest potential improvements to your total service score

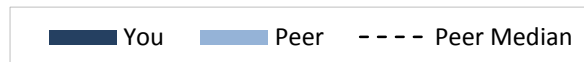
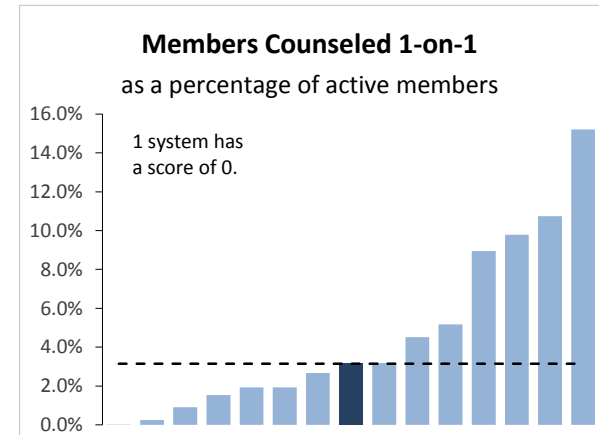
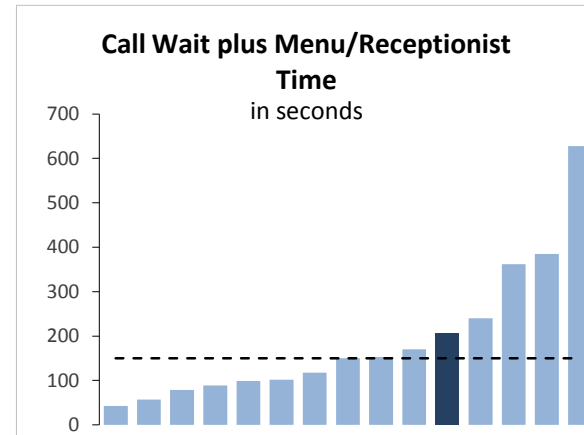
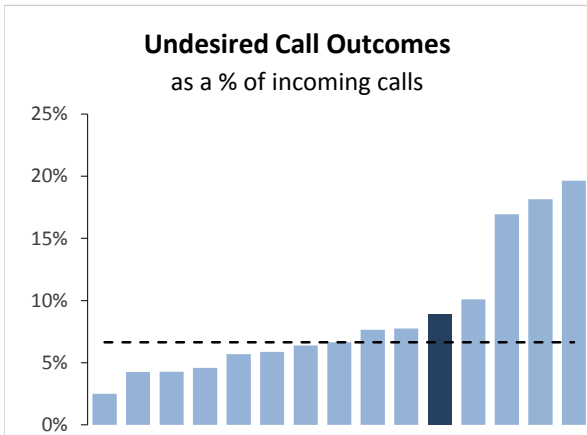
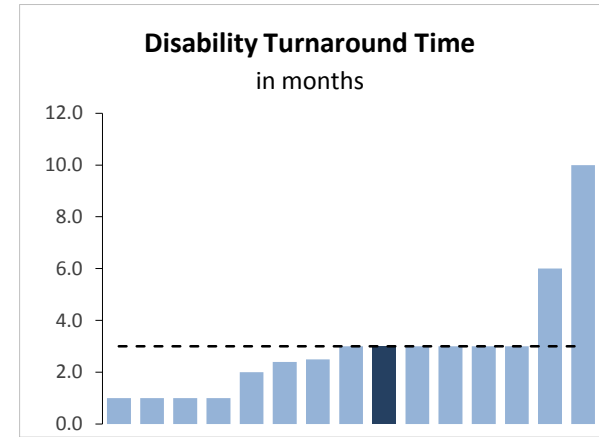
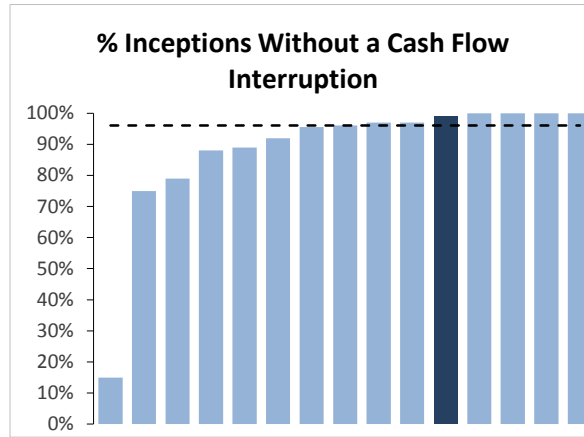
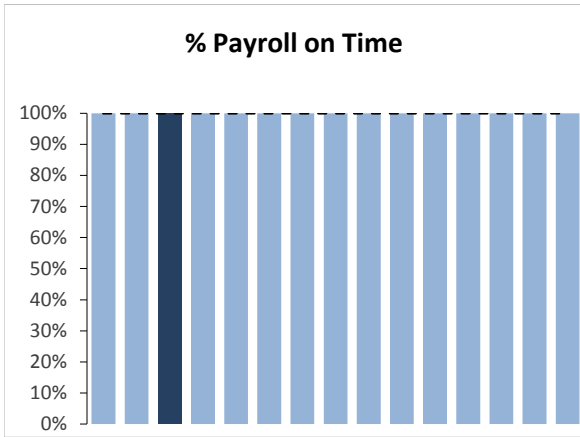
Biggest potential improvements to your total service score		
Rank	Factor	Potential Improvement
# 1	On average, members calling your call center reach a knowledgeable person in 207 seconds. To achieve a perfect service score, members must reach a knowledgeable person on the phone in 20 seconds or less.	+ 5.15
# 2	You offer 1 of the 13 website transactions and tools applicable to you. To achieve a perfect service score you must offer all 13 on-line transactions and tools.	+ 2.51
# 3	8.9% of your incoming calls resulted in undesired outcomes, and 0.0% of your incoming calls resulted in irritating outcomes. To achieve a perfect service score, members must experience no undesired or irritating call outcomes.	+ 2.11

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 could do to achieve a higher score.

## The biggest service improvement for most systems has been improved online capabilities.

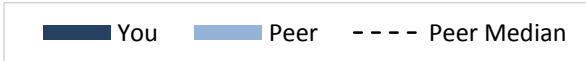
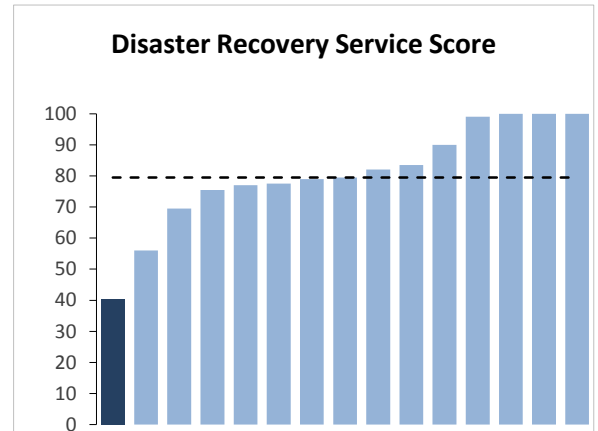
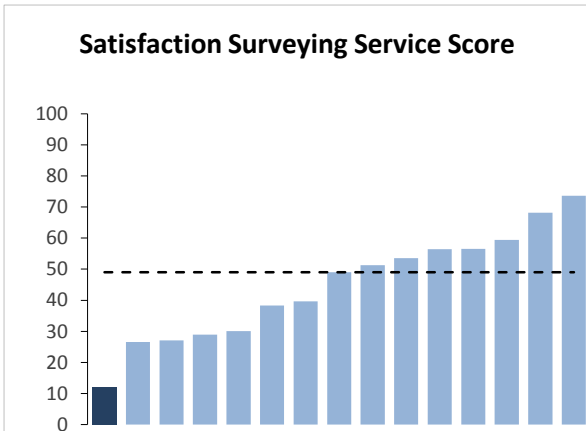
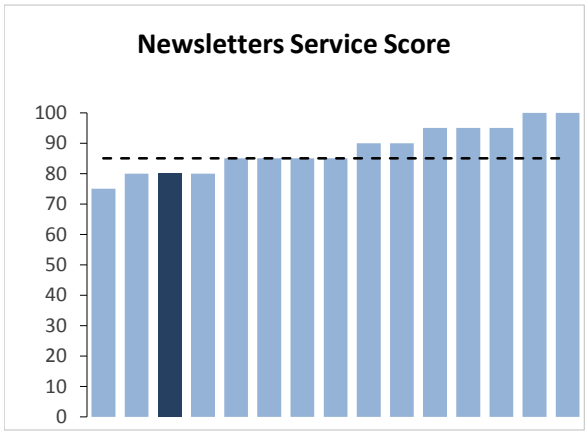
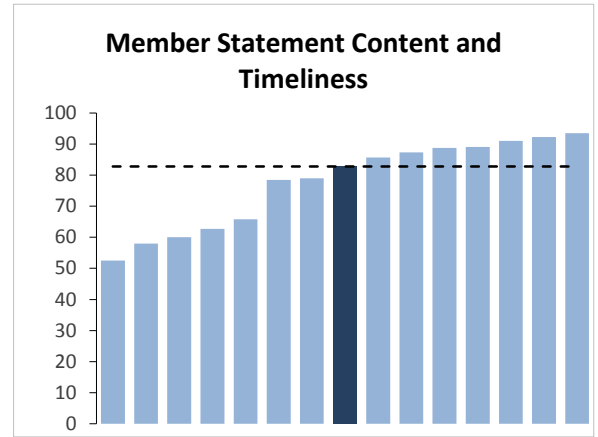
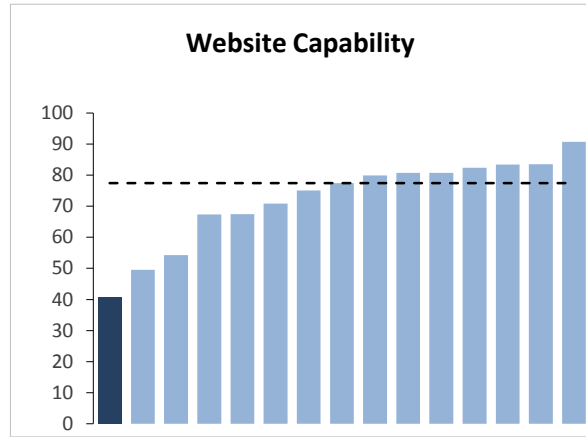
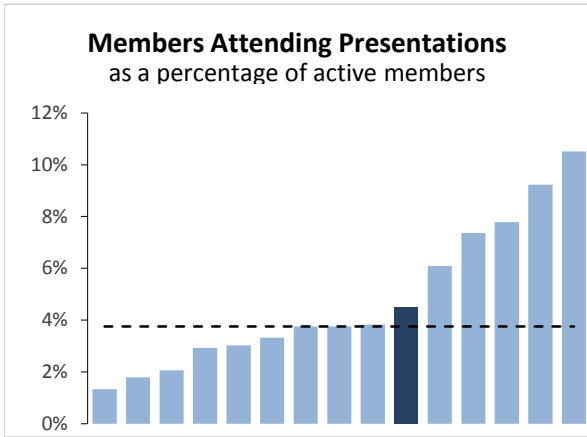
Online Tool	<u>% offering tool</u>			<u>If offered: Volume per 1,000 active members and annuitants</u>		
	You	Peer	All	You	Peer Median	All Median
Benefit calculators						
In non-secure area	Yes	73%	54%	564.1	310.5	281.5
In secure area not linked to member data	No	20%	12%	n/a	14.7	57.6
In secure area linked to member's salary and service data	No	73%	80%	n/a	364.5	317.7
Service credit purchase calculator	Yes	80%	67%	249.1	45.6	49.4
Download forms	Yes	100%	98%	1,183.7	344.8	313.1
Register for counseling sessions or presentations	No	73%	57%	n/a	10.4	14.4
Change address	No	73%	60%	n/a	11.9	23.8
Change beneficiary	No	47%	40%	n/a	20.9	20.9
Change family information	No	33%	24%	n/a	72.4	48.3
Tools for annuitants						
Change banking information for direct deposit	No	27%	26%	n/a	6.1	5.7
Change tax withholding amount	No	47%	35%	n/a	10.0	6.2
Download or print duplicate tax receipts	No	73%	53%	n/a	19.5	18.6
View annuity payment details	No	87%	60%	n/a	117.0	115.7
Apply for retirement	No	33%	27%	n/a	3.0	6.8
View status of disability application	No	7%	2%	n/a	0.0	0.0
Secure mailbox	No	47%	28%	n/a	31.6	37.5
Download member statement	No	67%	62%	n/a	217.8	114.1
View pensionable earnings and/or service without downloading	No	87%	84%	n/a	589.5	647.6
If yes:						
Are both salary and service data available?	n/a	100%	95%			
Is online data up-to-date to the most recent pay period?	n/a	69%	67%			
Is a complete annual history from the beginning of employment provided?	n/a	69%	52%			

# Key service measures included in your total service score:



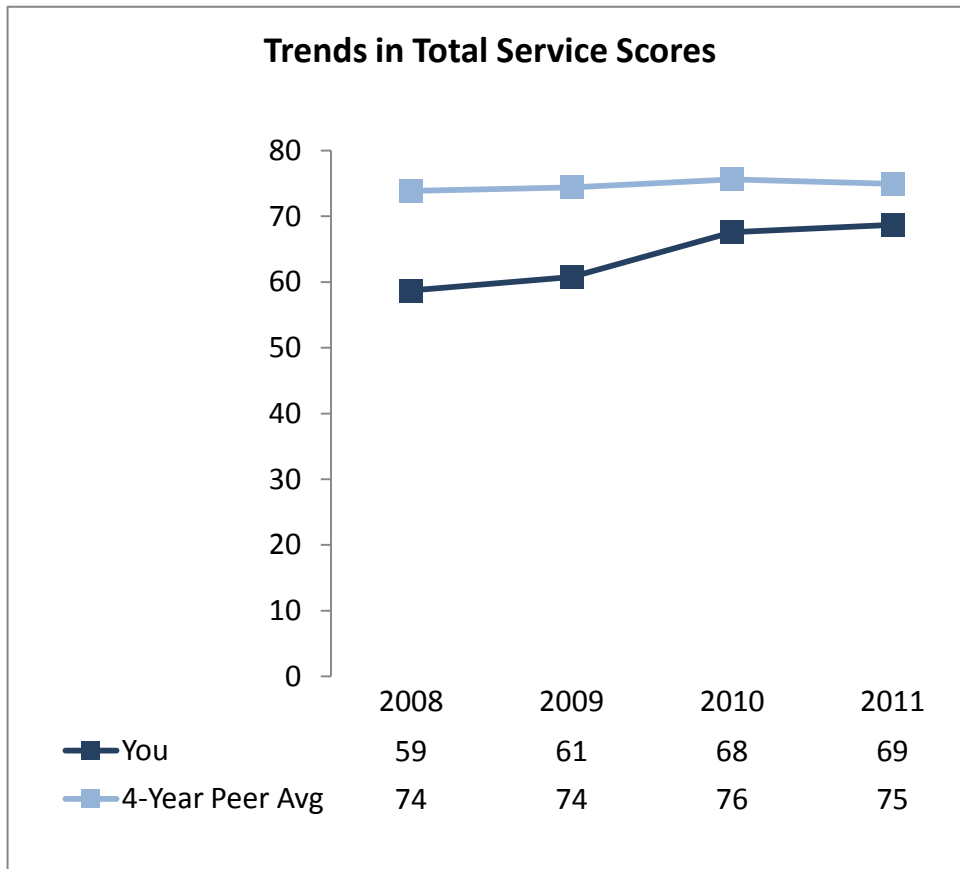
# Key service measures included in your total service score:

continued





## Your service score increased from 59 to 69 between 2008 and 2011.

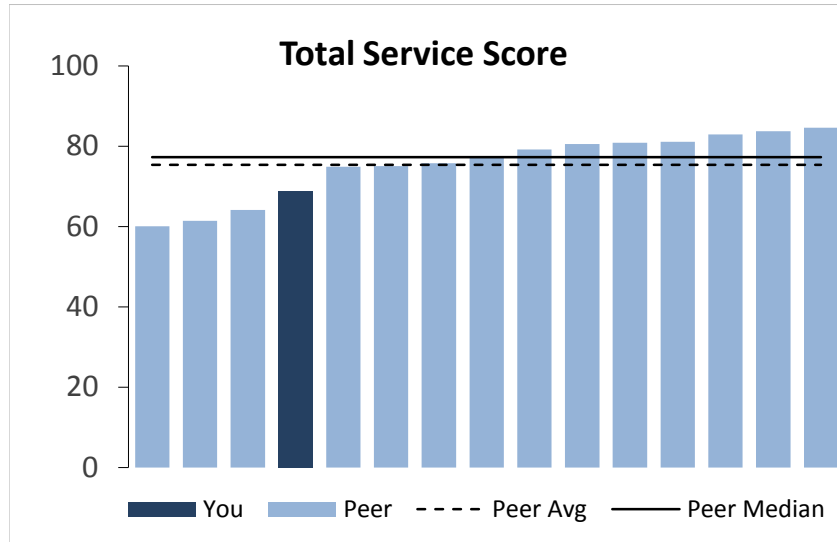


Trend analysis is based on systems that have provided 4 consecutive years of data (14 of your 15 peers).

Your total service score increased by 10 points since 2008. This increase reflects improvements in the following service areas:

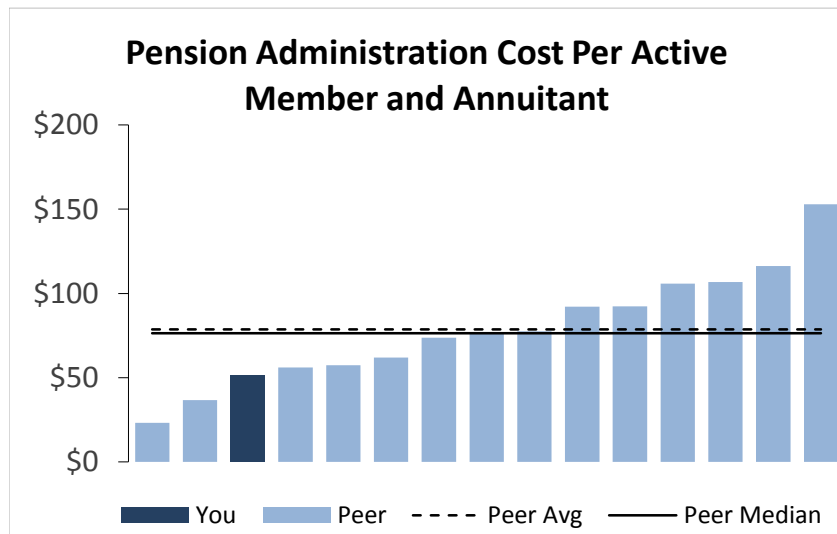
- **Calls.** You have significantly reduced your undesired call outcomes (i.e., busy signals, abandoned calls) from 50% to 9%. And, you now also review your staff's responses to calls on a regular basis for coaching purposes.
- **Member presentations.** You have reduced the average group size, from 41 to 21 attendees, thereby allowing greater opportunity for individual attention. You also offer more targeted presentations, from 2 to 4 types, geared toward different stages of a member's career.
- **Purchases.** Your average turnaround time on a service credit purchase request has improved from 25 days to 9.

## Key Takeaways:



Your total service score was 69 out of 100. This was below the peer median of 77.

- Your service score has increased by 10 points since 2008.
- You have made significant improvements in almost service areas, the most significant in calls, member presentations, and purchases.



Your total pension administration cost was \$51 per active member and annuitant. This was \$27 below the peer average of \$79. The primary reasons why were:

- You had higher transactions per FTE (productivity).
- You had lower third party and other costs in your front office activities.
- You pay less for back office activities such as major projects, IT and actuarial, legal, audit and other support services.

# Peer Characteristics

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This section contains:

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

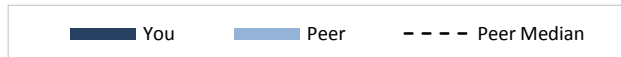
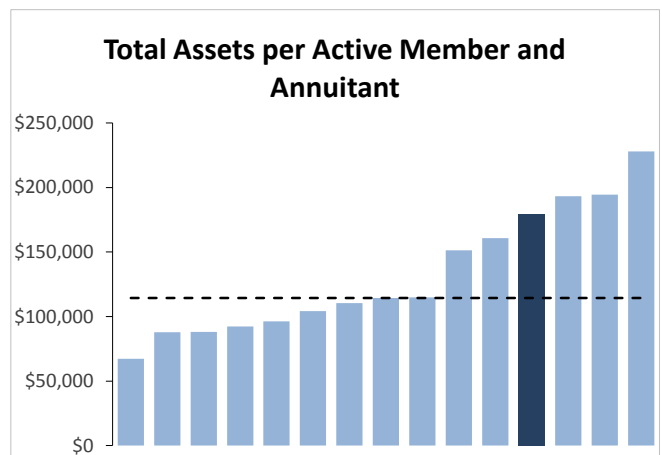
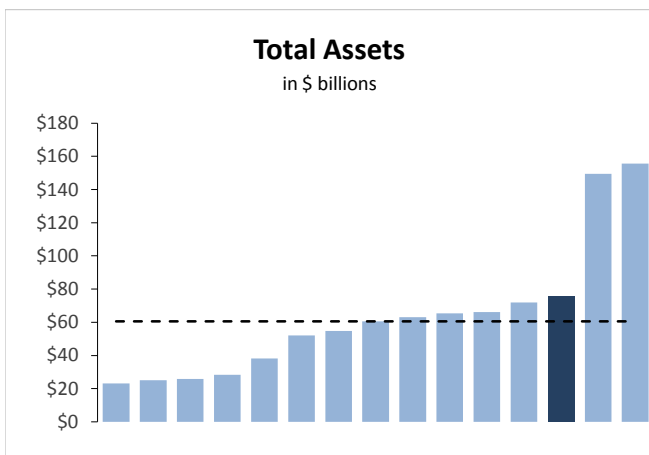
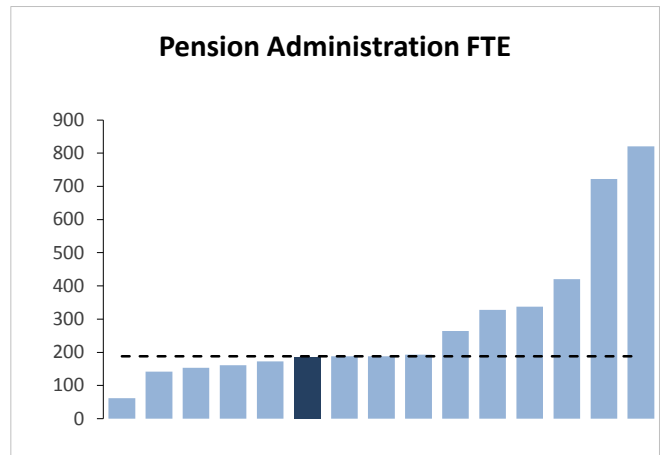
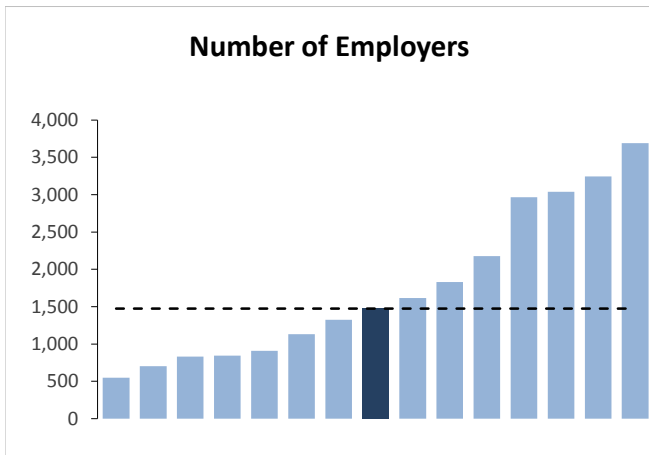
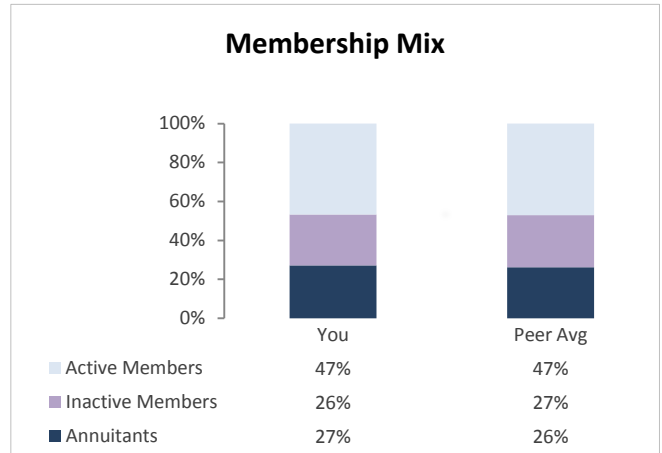
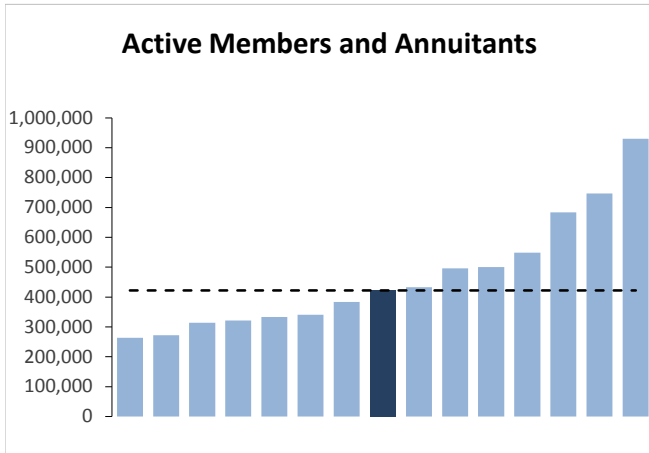
## Your peer group consists of 15 peers.

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>			
	<b>Active</b>	<b>Annuitants</b>	<b>Total</b>
NYSLRS	544,751	385,031	929,782
North Carolina RS	499,759	246,977	746,736
CalSTRS	429,600	253,629	683,229
Ohio PERS	371,812	176,852	548,664
Michigan ORS	261,700	238,511	500,211
Virginia RS	339,740	156,165	495,905
Washington State DRS	293,580	138,769	432,349
Wisconsin DETF	266,629	155,775	422,404
Indiana PRS	261,265	121,947	383,212
STRS Ohio	202,697	137,920	340,617
Colorado PERA	238,101	95,114	333,215
Arizona SRS	208,939	112,605	321,544
Oregon PERS	193,569	119,904	313,473
Illinois MRF	176,703	94,969	271,672
Iowa PERS	164,467	98,514	262,981
Peer Median	261,700	138,769	422,404
Peer Avg	296,887	168,845	465,733

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 51 benchmarking participants

(excluding Australian and UK systems)

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	Administered Retiree Healthcare
<b>Canada</b>																				
APS	192	73	39	X		X	X	X	X				X							
BC Pension Corporation	290	137	65	X	X	X	X	X	X	X	X	X	X	X	X				X	
Canada Post	60	21	1	X							X		X							
Defence Canada	94	110	1						X				X							
HOOPP	169	69	19	X				X			X		X							
LAPP	139	44	23	X		X	X	X					X							
OMERS	259	114	37			X	X	X	X	X			X							
Ontario Pension Board	42	35	4	X			X		X				X							
Ontario Teachers	178	117	68	X	X	X							X							
PWGSC	316	243	6	X									X							
RCMP	23	16	0	X			X						X							X
<b>Denmark</b>																				
ATP	3,079	795	804	X																
<b>Sweden</b>																				
Alecta	575	609	589							X	X									X
<b>The Netherlands</b>																				
ABP	1,219	757	894	X	X	X	X		X		X	X	X							
bpfBOUW	221	243	389	X								X	X							
Pensioenfonds Metaal en Techniek	401	172	655	X								X	X							
PFZW	1,230	310	806								X	X								
Rabobank	44	14	35							X		X								
Stichting Algemeen Pensioenfonds KLM	15	10	9							X		X								
Stichting Shell Pensioenfonds	11	21	7							X		X								

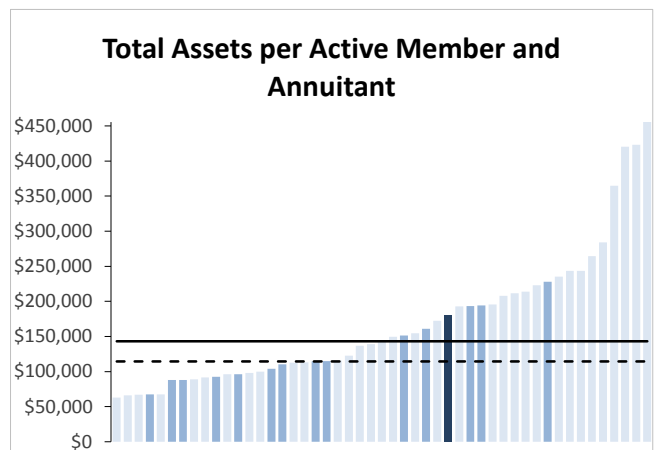
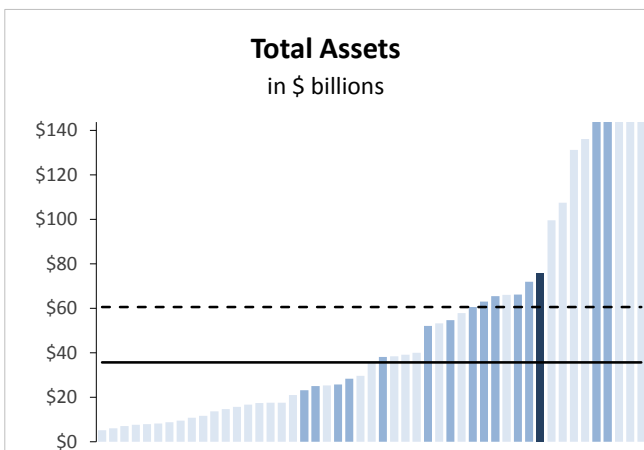
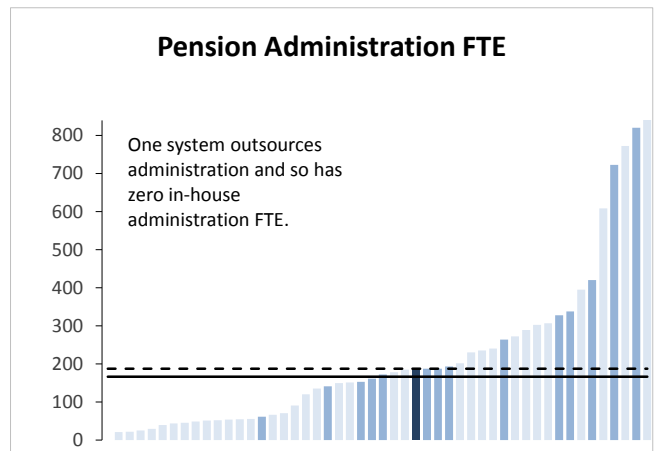
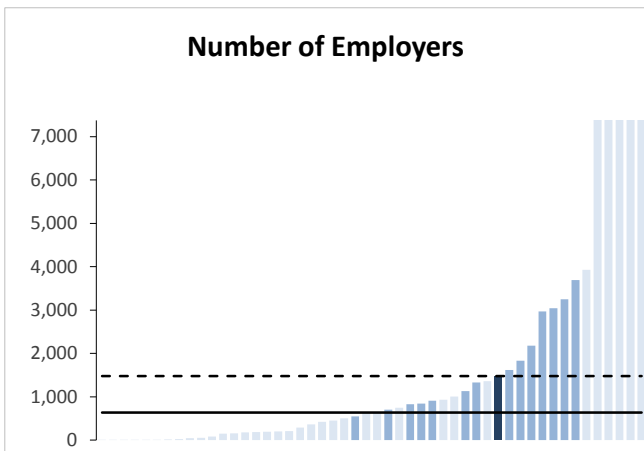
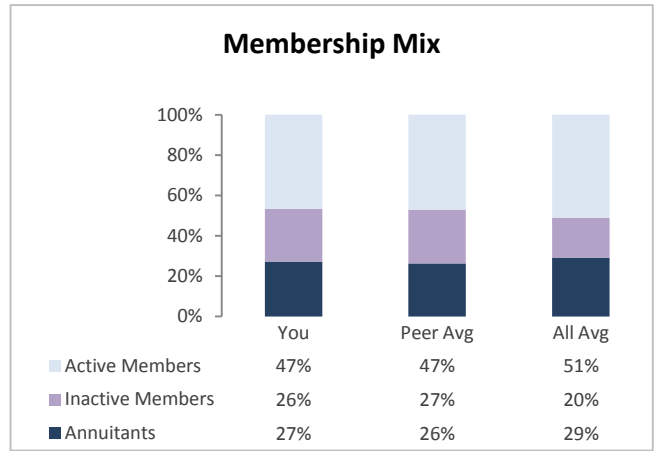
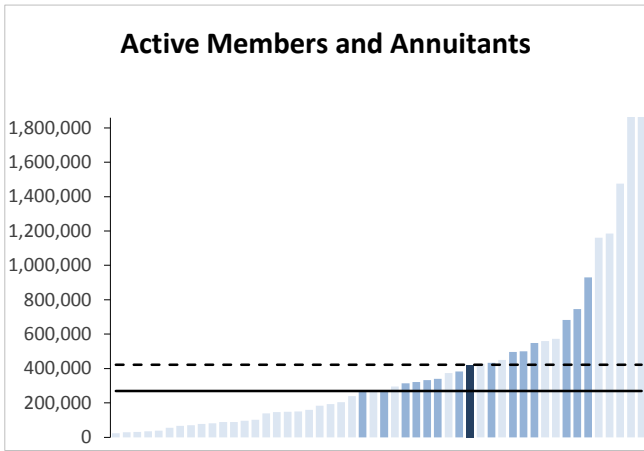
# Fund characteristics

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	209	113	209	X	X	X		X	X				X						X	X
CalSTRS	430	254	174			X							X	X					X	
Colorado PERA	238	95	169	X	X	X		X	X				X					X	X	X
Delaware PERS	43	25	1	X	X	X	X	X	X				X							
Idaho PERS	66	35	25	X	X	X	X	X	X										X	
Illinois MRF	177	95	115				X	X	X				X							
Indiana PRS	261	122	100	X		X	X	X	X				X			X	X	X	X	X
Iowa PERS	164	99	66	X	X	X	X	X	X				X							
LACERA	92	56	12	X				X		X			X							X
Maine PERS	54	35	50	X	X	X	X	X	X				X							
Michigan ORS	262	239	480	X	X	X	X		X				X			X				X
MOSERS	52	36	18	X		X	X		X				X							
Nevada PERS	101	46	13	X	X	X	X		X				X							
New Mexico ERB	62	35	33	X	X	X							X					X		
North Carolina RS	500	247	130	X	X	X	X	X	X				X							
NYC TRS	117	75	21	X		X	X						X						X	
NYSLRS	545	385	128	X		X	X	X	X				X							
Ohio PERS	372	177	436	X				X		X			X	X					X	X
Ohio SERS*																				
Oklahoma PERS	41	29	6	X					X	X			X						X	
Oklahoma TRS	90	49	15			X	X						X							X
Orange County ERS	22	13	4	X	X			X	X				X							
Oregon PERS	194	120	39	X	X	X	X	X	X						X				X	X
San Bernardino County ERA	19	9	4					X	X	X			X							
STRS Ohio	203	138	136			X							X					X	X	X
TRS Louisiana	93	66	20			X							X			X	X			
TRS of Texas	848	313	156			X	X						X							X
Utah RS	104	46	36	X	X	X	X	X	X				X					X		
Virginia RS	340	156	105	X	X	X	X	X	X				X							
Washington State DRS	294	139	213	X	X	X	X	X	X				X						X	
Wisconsin DETF	267	156	150	X	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

---

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 \$21.7 million or \$51 per active member and annuitant.**

Activity <sup>1</sup>	Cost <sup>1</sup>	\$s per Active Member and			% of Total Pension		
	\$000s	Annuitant			Administration Cost		
	You	You	Peer Avg	All Avg	You	Peer Avg	All Avg
<b>1. Member Transactions</b>							
a. Pension Payments	460	1.09	3.28	5.36	2.1%	4.2%	4.6%
b. Pension Inceptions	616	1.46	3.75	5.98	2.8%	4.8%	5.1%
c. Withdrawals and Transfers-out	498	1.18	1.59	2.54	2.3%	2.0%	2.2%
d. Purchases and Transfers-in	172	0.41	1.70	3.01	0.8%	2.2%	2.6%
e. Disability	<u>1,032</u>	<u>2.44</u>	<u>2.56</u>	<u>2.73</u>	<u>4.8%</u>	<u>3.3%</u>	<u>2.3%</u>
	2,777	6.57	12.88	19.63	12.8%	16.4%	16.8%
<b>2. Member Communication</b>							
a. Call Center	1,640	3.88	5.19	5.06	7.6%	6.6%	4.3%
b. Mail Room, Imaging	665	1.58	2.26	3.35	3.1%	2.9%	2.9%
c. 1-on-1 Counseling	942	2.23	2.76	1.85	4.3%	3.5%	1.6%
d. Presentations and Group Counseling	525	1.24	1.08	1.10	2.4%	1.4%	0.9%
e. Written Pension Estimates	850	2.01	1.09	2.79	3.9%	1.4%	2.4%
f. Mass Communication	<u>576</u>	<u>1.36</u>	<u>2.85</u>	<u>4.12</u>	<u>2.7%</u>	<u>3.6%</u>	<u>3.5%</u>
	5,200	12.31	15.23	18.28	24.0%	19.3%	15.7%
<b>3. Collections and Data Maintenance</b>							
a. Data and Money from Employers	599	1.42	2.83	5.31	2.8%	3.6%	4.6%
b. Service to Employers	489	1.16	1.52	1.82	2.3%	1.9%	1.6%
c. Data Not from Employers	<u>244</u>	<u>0.58</u>	<u>1.16</u>	<u>1.85</u>	<u>1.1%</u>	<u>1.5%</u>	<u>1.6%</u>
	1,332	3.15	5.51	8.98	6.1%	7.0%	7.7%
<b>4. Governance and Financial Control</b>							
a. Financial Administration and Control	864	2.04	2.75	5.14	4.0%	3.5%	4.4%
b. Board, Strategy, Policy	1,661	3.93	1.61	7.02	7.7%	2.0%	6.0%
c. Government and Public Relations	<u>38</u>	<u>0.09</u>	<u>0.71</u>	<u>2.71</u>	<u>0.2%</u>	<u>0.9%</u>	<u>2.3%</u>
	2,563	6.07	5.07	14.87	11.8%	6.4%	12.7%
<b>5. Major Projects</b>							
a. Amortization of non-IT major projects	0	0.00	0.14	0.04	0.0%	0.2%	0.0%
b. Non-IT major projects (if you don't capitalize)	48	0.11	0.48	0.68	0.2%	0.6%	0.6%
c. Amortization of IT major projects	0	0.00	0.94	2.20	0.0%	1.2%	1.9%
d. IT major projects (if you don't capitalize)	<u>1,226</u>	<u>2.90</u>	<u>2.95</u>	<u>6.24</u>	<u>5.7%</u>	<u>3.7%</u>	<u>5.3%</u>
	1,274	3.02	4.51	9.16	5.9%	5.7%	7.9%
<b>6. Information Technology</b>							
a. IT Strategy, Database Management and Applications	2,832	6.70	12.34	14.61	13.1%	15.7%	12.5%
b. IT Desktop, Networks, Telecom	<u>1,965</u>	<u>4.65</u>	<u>5.76</u>	<u>7.01</u>	<u>9.1%</u>	<u>7.3%</u>	<u>6.0%</u>
	4,796	11.35	18.10	21.62	22.1%	23.0%	18.5%
<b>7. Support Services and Other</b>							
a. Building and Utilities	1,472	3.49	5.54	7.34	6.8%	7.0%	6.3%
b. Human Resources	489	1.16	1.55	2.86	2.3%	2.0%	2.5%
c. Actuarial	286	0.68	1.26	1.88	1.3%	1.6%	1.6%
d. Legal and Rule Interpretation	118	0.28	3.26	5.73	0.5%	4.1%	4.9%
e. Internal and External Audit	417	0.99	1.42	2.61	1.9%	1.8%	2.2%
f. Pay-as-you-go benefits for retired staff	0	0.00	0.56	0.26	0.0%	0.7%	0.2%
g. Other Support Services	<u>963</u>	<u>2.28</u>	<u>3.83</u>	<u>3.44</u>	<u>4.4%</u>	<u>4.9%</u>	<u>3.0%</u>
	3,744	8.86	17.42	24.13	17.3%	22.1%	20.7%
<b>Total Pension Administration <sup>2</sup></b>	<b>21,685</b>	<b>51.34</b>	<b>78.72</b>	<b>116.67</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

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

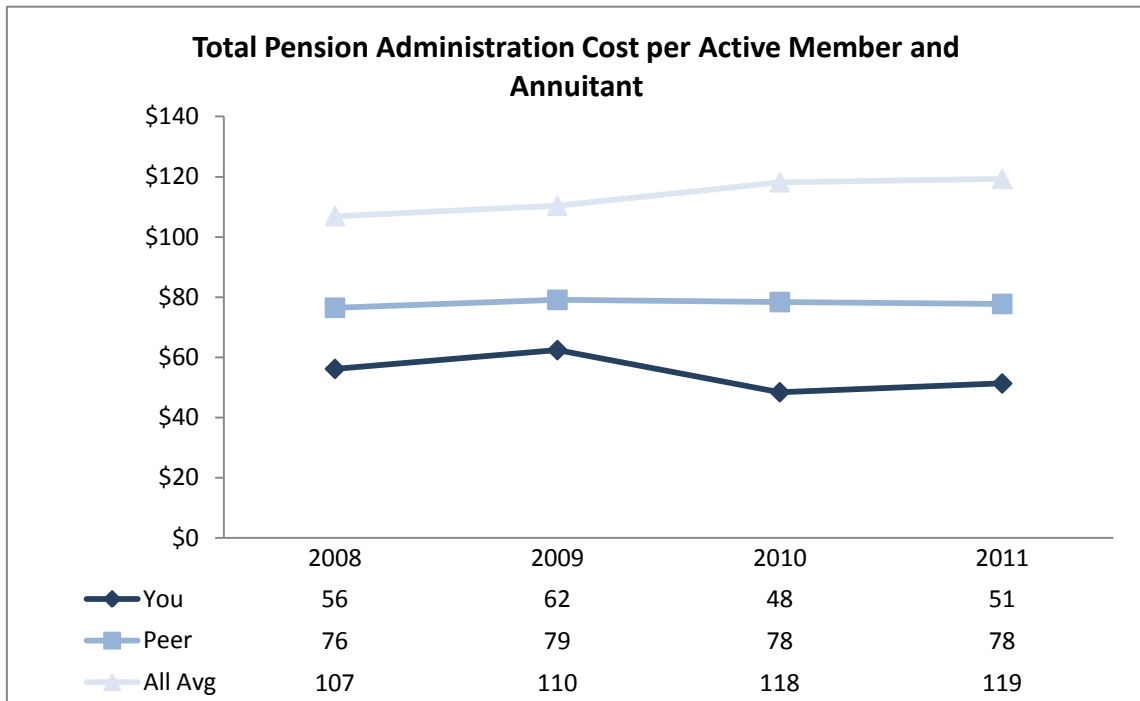
\$ Cost per Active Member and Annuitant													
Activity <sup>1</sup>	You	Peer						All Participants					
		Avg	Max	Q3	Med	Q1	Min	Avg	Max	Q3	Med	Q1	Min
<b>1. Member Transactions</b>													
a. Pension Payments	1.09	3.28	9.88	3.25	2.70	1.75	1.00	5.36	38.76	5.35	3.22	1.74	0.27
b. Pension Inceptions	1.46	3.75	11.22	4.24	3.06	1.87	0.98	5.98	37.10	7.39	3.91	2.17	0.12
c. Withdrawals and Transfers-out	1.18	1.59	4.00	2.35	1.18	0.58	0.35	2.54	9.12	3.92	1.91	0.71	0.00
d. Purchases and Transfers-in	0.41	1.70	7.41	1.88	1.13	0.45	0.27	3.01	13.95	4.73	1.55	0.63	0.00
e. Disability	<u>2.44</u>	<u>2.56</u>	8.78	3.38	1.90	0.60	0.00	<u>3.18</u>	27.70	2.58	0.91	0.15	0.00
	6.57	12.88	31.87	16.95	13.07	6.71	3.21	19.63	80.45	23.19	15.60	9.01	0.43
<b>2. Member Communication</b>													
a. Call Center	3.88	5.19	8.95	6.37	4.38	3.94	2.02	5.06	15.57	6.03	4.46	3.09	0.18
b. Mail Room, Imaging	1.58	2.26	5.89	3.01	1.58	1.28	0.89	3.35	18.17	4.08	2.24	1.37	0.00
c. 1-on-1 Counseling	2.23	2.76	11.49	2.82	1.87	0.90	0.43	1.85	11.49	2.25	1.09	0.43	0.00
d. Presentations and Group Counseling	1.24	1.08	3.34	1.30	1.02	0.48	0.31	1.10	6.67	1.41	0.96	0.36	0.00
e. Written Pension Estimates	2.01	1.09	3.36	1.83	0.88	0.25	0.02	2.79	33.00	2.68	1.49	0.63	0.00
f. Mass Communication	<u>1.36</u>	<u>2.85</u>	8.41	3.13	2.38	1.62	0.90	<u>4.12</u>	13.80	4.62	3.42	2.14	0.55
	12.31	15.23	30.78	17.27	13.19	11.36	6.59	18.28	58.93	19.70	15.13	11.55	1.94
<b>3. Collections and Data Maintenance</b>													
a. Data and Money from Employers	1.42	2.83	7.61	3.39	2.52	1.26	0.90	5.31	23.56	7.12	3.61	2.24	0.00
b. Service to Employers	1.16	1.52	3.74	1.62	1.24	0.97	0.84	1.82	5.23	2.60	1.34	0.89	0.00
c. Data Not from Employers	<u>0.58</u>	<u>1.16</u>	2.37	1.51	1.20	0.68	0.00	<u>1.85</u>	10.68	2.34	1.16	0.40	0.00
	3.15	5.51	13.39	5.88	4.73	3.65	2.21	8.98	30.13	12.41	6.41	4.25	0.00
<b>4. Governance and Financial Control</b>													
a. Financial Administration and Control	2.04	2.75	7.67	3.56	2.64	1.37	0.39	5.14	20.61	7.82	3.80	2.07	0.28
b. Board, Strategy, Policy	3.93	1.61	3.93	1.98	1.69	0.82	0.14	7.02	75.75	7.09	3.49	1.41	0.12
c. Government and Public Relations	<u>0.09</u>	<u>0.71</u>	2.44	0.93	0.41	0.24	0.09	<u>2.71</u>	33.80	2.98	1.24	0.42	0.00
	6.07	5.07	11.51	6.13	5.11	3.11	1.25	14.87	117.43	17.38	9.37	5.14	0.56
<b>5. Major Projects</b>													
a. Amortization of non-IT major projects	0.00	0.14	2.08	0.00	0.00	0.00	0.00	0.04	2.08	0.00	0.00	0.00	0.00
b. Non-IT major projects (if you don't capitalize)	0.11	0.48	3.11	0.11	0.00	0.00	0.00	0.68	16.74	0.07	0.00	0.00	0.00
c. Amortization of IT major projects	0.00	0.94	4.39	1.67	0.00	0.00	0.00	2.20	37.81	0.89	0.00	0.00	0.00
d. IT major projects (if you don't capitalize)	<u>2.90</u>	<u>2.95</u>	15.59	3.59	1.29	0.19	0.00	<u>6.24</u>	83.08	4.32	0.76	0.00	0.00
	3.02	4.51	18.40	5.00	3.02	1.27	0.00	9.16	84.46	11.45	2.75	0.00	0.00
<b>6. Information Technology</b>													
a. IT Strategy, Database, Applications	6.70	12.34	30.47	14.95	11.97	6.28	0.84	14.61	39.18	21.20	12.98	6.07	0.00
b. IT Desktop, Networks, Telecom	<u>4.65</u>	<u>5.76</u>	12.87	7.88	4.65	3.75	0.14	<u>7.01</u>	38.49	7.82	5.31	2.74	0.00
	11.35	18.10	36.26	25.10	16.54	11.50	0.98	21.62	70.79	30.63	18.77	11.29	0.00
<b>7. Support Services and Other</b>													
a. Building and Utilities	3.49	5.54	14.99	6.38	4.17	3.10	0.12	7.34	30.96	9.07	4.70	2.73	0.12
b. Human Resources	1.16	1.55	5.59	2.07	1.13	0.69	0.07	2.86	14.16	2.92	1.57	0.66	0.00
c. Actuarial	0.68	1.26	2.47	1.80	0.96	0.77	0.13	1.88	7.77	2.42	1.53	0.65	0.00
d. Legal and Rule Interpretation	0.28	3.26	13.62	3.47	2.26	1.64	0.28	5.73	55.31	5.71	2.69	1.84	0.05
e. Internal and External Audit	0.99	1.42	4.68	1.84	1.06	0.67	0.33	2.61	18.35	2.57	1.34	0.72	0.00
f. Pay-as-you-go benefits for retired staff	0.00	0.56	6.75	0.12	0.00	0.00	0.00	0.26	6.75	0.00	0.00	0.00	0.00
g. Other Support Services	<u>2.28</u>	<u>3.83</u>	23.62	2.97	1.60	1.03	0.00	<u>3.44</u>	50.28	3.36	1.19	0.03	0.00
	8.86	17.42	59.89	19.59	14.83	9.30	2.10	24.13	107.54	27.47	17.71	10.38	1.58
<b>Total Pension Administration<sup>2</sup></b>	51.34	78.72	152.87	99.11	76.40	56.72	23.25	116.67	310.83	132.70	98.06	69.11	10.83

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.

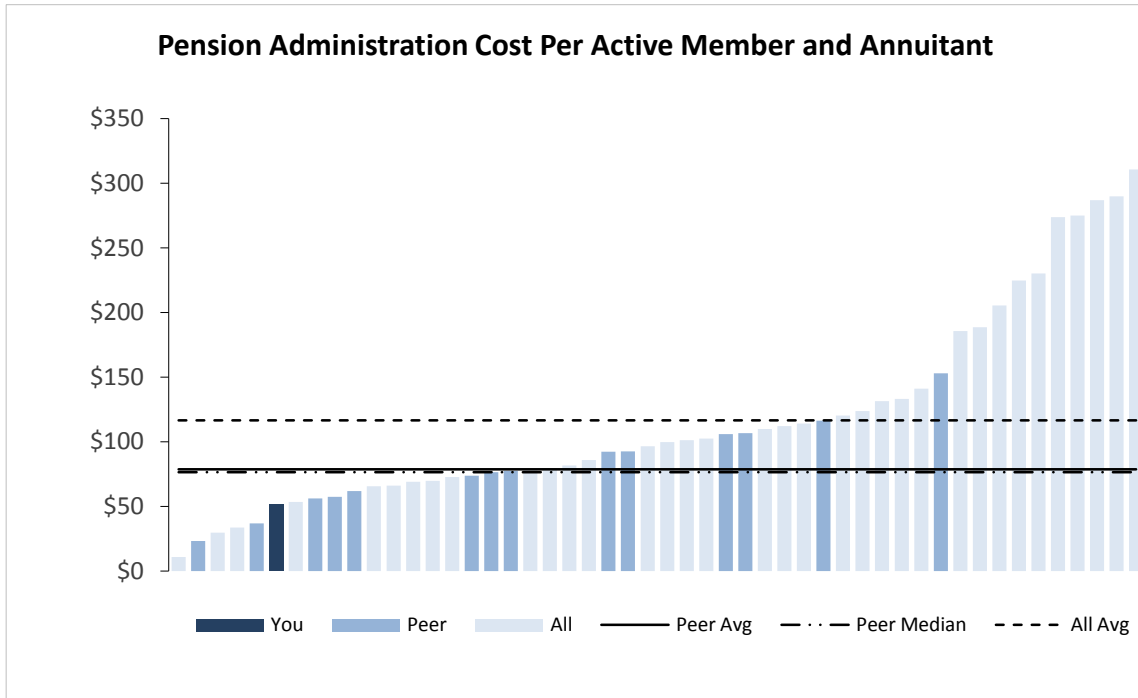
## Cost trends

Your total pension administration costs have grown at a compound annual rate of -3.0% between 2008 and 2011. This was below the 0.5% average for your peers that have participated for 4 consecutive years.



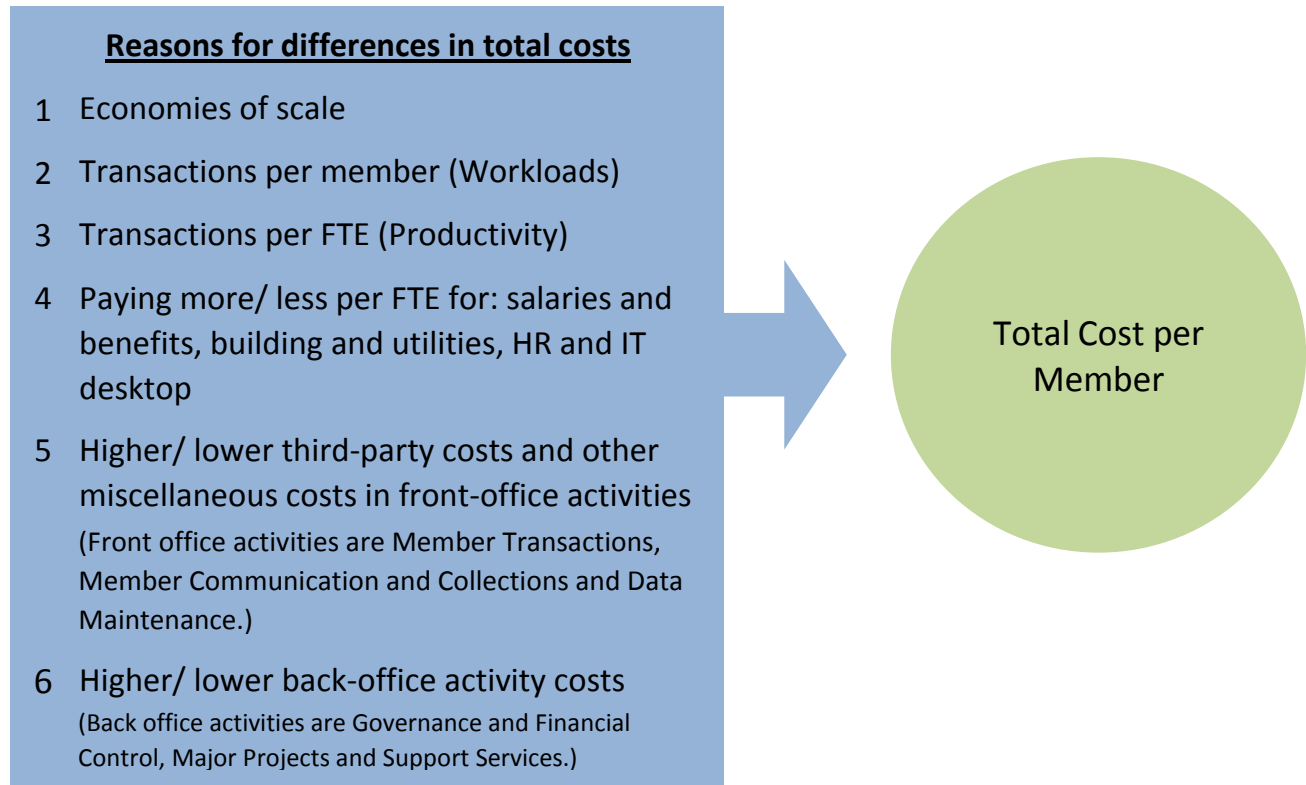
1. Trend analysis is based on systems that have participated for 4-consecutive years (14 peers and 41 World systems). This ensures that trends are not caused by changes in the composition of the participants.
2. All foreign currency amounts have been converted to USDs using Purchasing Power Parity figures 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.
3. Major Project costs are no longer averaged over multiple years. Therefore, your cost per member may differ from previous reports.

**Your total pension administration cost was \$51 per active member and annuitant. This was \$27 below the peer average of \$79 (and \$25 below the peer median of \$76).**



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



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. For example, high major project costs might be associated with high productivity.
- It is necessary if we want the reasons to add to 100%. The sum of median parts does not add up to a median 'whole'.

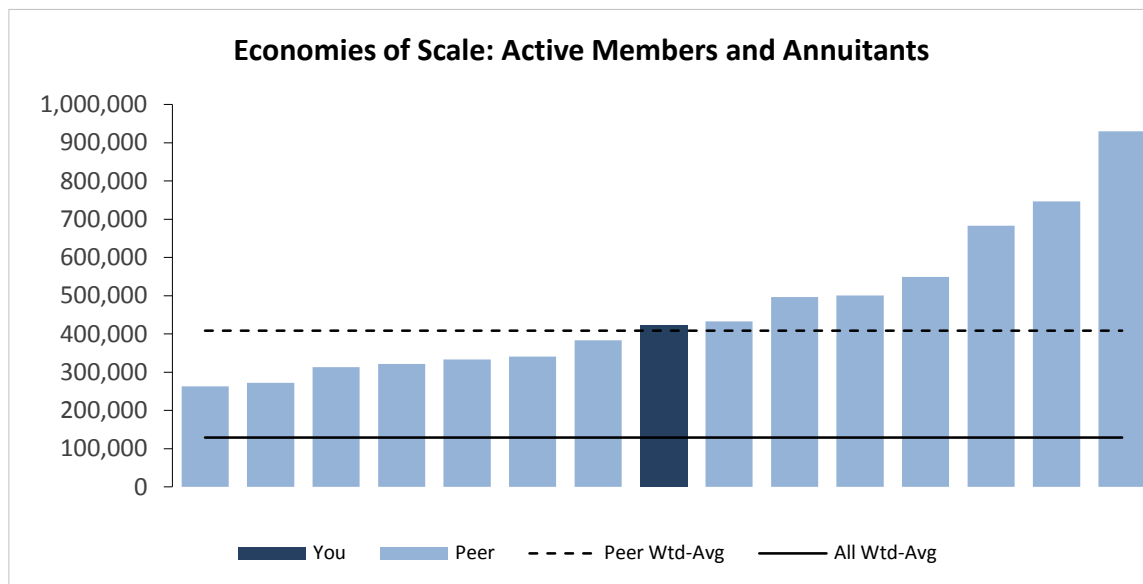
## Reasons why your total cost was \$27 below the peer average.

Reason	Impact \$s per active member and annuitant
1. Economies of scale advantage	-\$0.35
2. Fewer transactions per member (workloads)	-\$0.36
3. More transactions per FTE (productivity)	-\$7.52
4. Higher costs per FTE for: salaries and benefits, building and utilities, HR and IT desktop	\$2.52
5. Lower 'other miscellaneous' costs in front-office activities	-\$7.41
6. Paying more/-less, after adjusting for economy of scale and salary differences, for:	
- Governance and Financial Control	\$1.05
- Major Projects	-\$2.15
- IT Strategy, Database, Applications	-\$5.50
- Actuarial, Legal, Audit, Other Support Services	-\$7.68
Total	-\$27.38

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 3% more members than the peer weighted-average. Your larger size means that you had a cost advantage relative to the average peer of \$0.35 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.

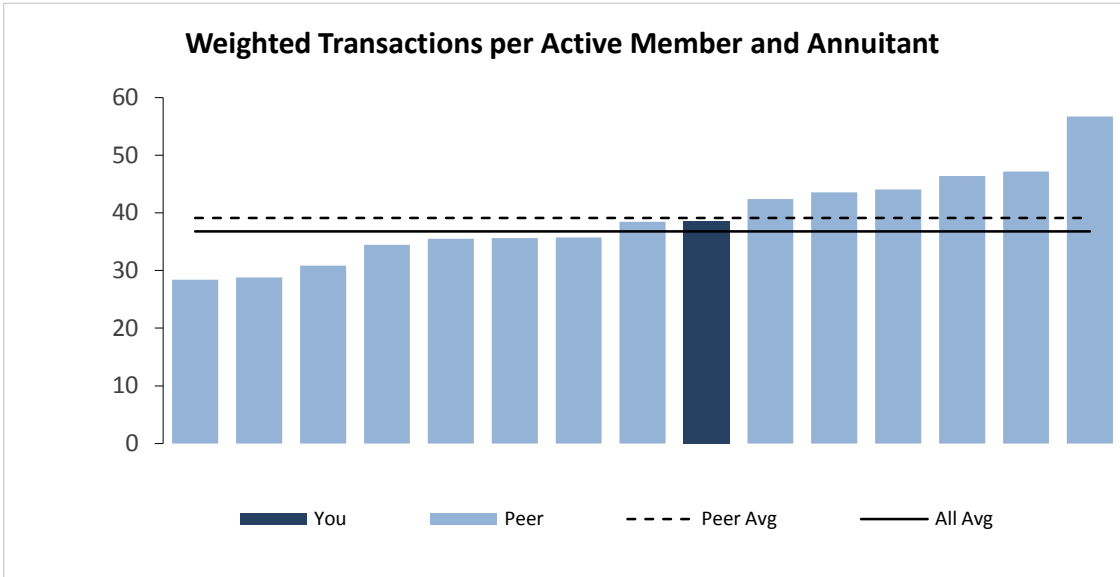
Size is a key driver of costs. More members lets you spread your fixed costs over a larger base. But the benefit of economies of scale is not linear. Scale economies diminish as systems get larger. For example, if your system lost 50% of its members then your predicted cost would increase by \$10.08 per member, whereas if your membership increased by 50% your predicted cost would only decrease by \$3.36.

How Changes in Membership Impact Your Cost			
% Change in Members	Implied # of Members	Your Predicted	
		Cost per Member	Increase/-Decrease
-75%	105,601	\$81.58	\$30.24
-50%	211,202	\$61.42	\$10.08
-25%	316,803	\$54.70	\$3.36
0%	422,404	\$51.34	\$0.00
25%	528,005	\$49.32	-\$2.02
50%	633,606	\$47.98	-\$3.36
75%	739,207	\$47.02	-\$4.32



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

Weighted transactions indicates whether you are doing more or fewer front-office transactions per member in aggregate than your peers. Your weighted transactions were 1% below the peer average. Your lower transaction volumes decreased your total cost per member by an estimated \$0.36 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		
	You	Peer Avg	More/ -Less
Pension Payments (Annuitants)	369	359	3%
New Payee Inceptions	20	27	-25%
Withdrawals and Transfers-out	15	32	-52%
Purchases and Transfers-in	3	14	-78%
Disability Applications	6	3	92%
Calls and Emails	522	780	-33%
Incoming Mail	530	495	7%
Members Counseled 1-on-1	20	29	-33%
Member Presentations	1	1	14%
Written Estimates	68	29	137%
Mass Communication (Active Members and	1,000	1,000	0%
Data and Money from Employers (Active Members)	631	641	-2%
Service to Employers (Active Members)	631	641	-2%
Data Not from Employers (Actives, Inactives,	1,355	1,400	-3%
<b>Weighted Total</b>	<b>38,636</b>	<b>39,115</b>	<b>-1%</b>

Differences in front-office transaction volumes are due to differences in activities that you administer (some do not administer disability), 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 cause more transactions than inactive members, so systems with a higher proportion of active members relative to annuitants tend to have higher transaction volumes.

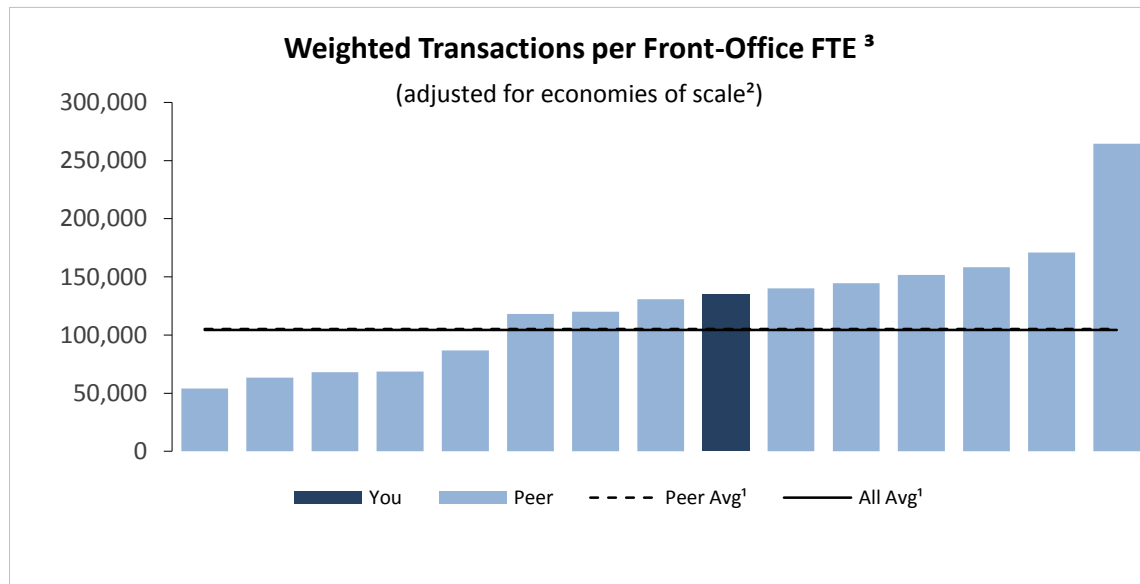
Your membership mix was less expensive than the peer average. If you had the same membership mix as the peer average, your costs would have been \$0.08 per member lower.

Components of Transaction Volume Impact <sup>1</sup>	\$ per active member and annuitant	% of total impact
Less expensive membership mix	-\$0.08	22%
Less transactions per member after neutralizing for membership mix	-\$0.28	78%
Total transaction volume impact	-\$0.36	100%

<sup>1</sup> Your membership is neutralized by calculating what your transaction volumes would be if you had the peer average membership mix of 47% actives, 27% inactives and 26% annuitants (versus your actual mix of 47% actives, 26% inactives and 27% annuitants).

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

Your weighted transactions per front-office FTE<sup>3</sup> were 28% above the adjusted<sup>1</sup> peer average. Your higher transaction volumes per FTE decreased your total cost per member by \$7.52 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 higher salaries and benefits, building and utilities, HR and IT desktop costs per FTE.

Cost per FTE		
Costs that vary per FTE	You	FTE-Weighted Peer Avg
Salaries and Benefits		
Front Office	\$68,824	\$64,013
Back Office	<u>\$98,158</u>	<u>\$91,592</u>
Blended Average	\$77,075	\$71,692
Pay-as-you-go benefits for retired staff	\$0	\$1,013
Building and Utilities	\$8,737	\$9,978
Human Resources	\$2,901	\$2,787
IT Desktop, Networks, Telecom	\$11,659	\$10,361
<b>Total</b>	<b>\$100,373</b>	<b>\$95,831</b>

Your cost per FTE for salaries and benefits, building and utilities, human resources and IT desktop of \$100,373 was 5% above the FTE-weighted peer average of \$95,831. Your higher costs per FTE increased your total cost per member by \$2.52 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.

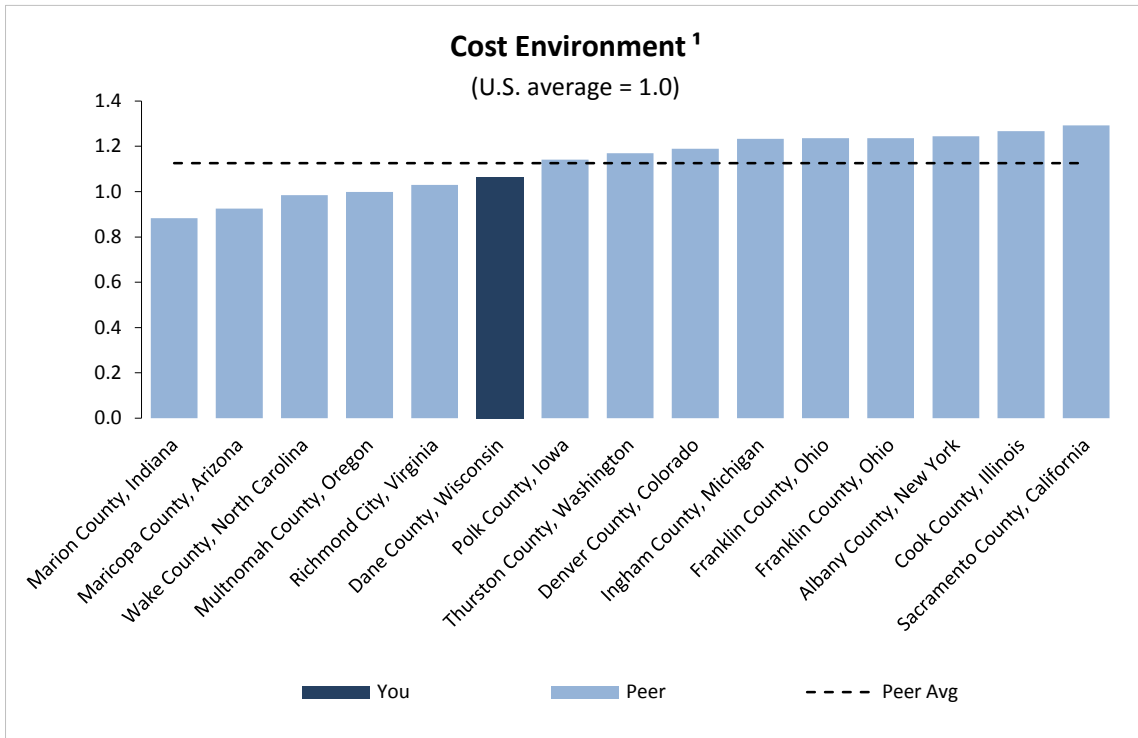
Averages can also mask the often large differences in front office and back office salaries. Therefore, both front and back-office averages for salaries and benefits are shown in the table above. Refer to section '5 - Staff Costs and Productivity' for much more detailed comparisons of your staffing levels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

Differences in what you pay per FTE reflect differences in:

- Cost environment. Labor costs in your area were 6% 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

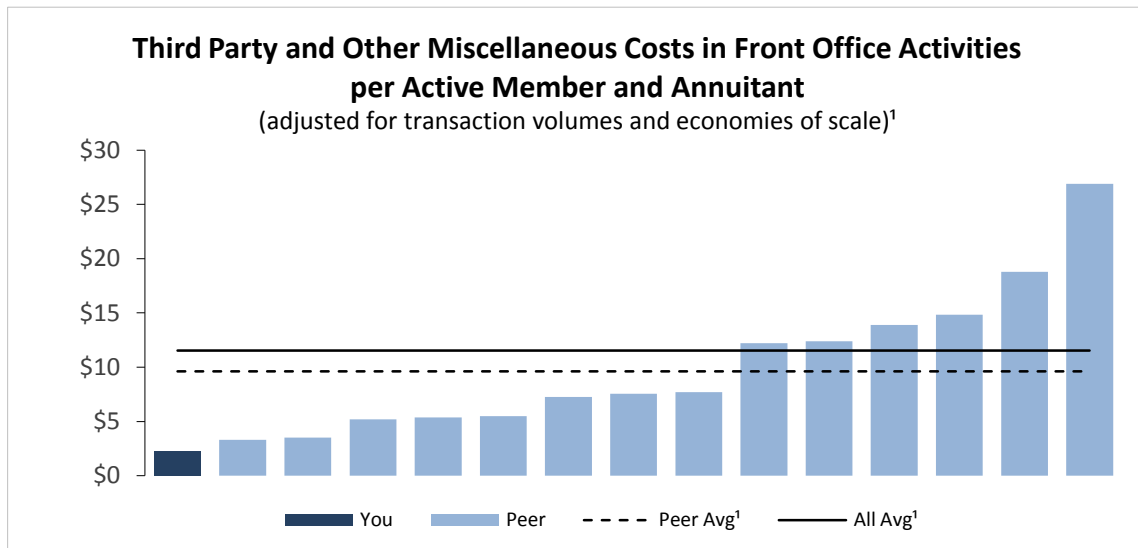
Often a key reason for differences in 'cost per FTE' is cost environment. Labor costs in your area were 6% below the peer average.



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 \$2.30 per member which was 76% below the adjusted<sup>1</sup> peer weighted average of \$9.62. Your lower third party costs decreased your total cost per member by \$7.41 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 \$22.62 for back-office activities was below the peer average of \$36.90. Paying less for back-office activities decreased your total cost per member by \$14.28 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	\$6.07	\$5.07	\$7.00	\$5.94
Major Projects	\$3.02	\$4.51	\$3.10	\$5.25
IT Strategy, Database, Applications	\$6.70	\$12.34	\$7.52	\$13.02
Actuarial, Legal, Audit, Other Support Services	\$4.22	\$9.76	\$5.01	\$12.69
Support Services that Vary per FTE	\$2.61	\$4.41		
<b>Total</b>	<b>\$22.62</b>	<b>\$36.10</b>	<b>\$22.62</b>	<b>\$36.90</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:

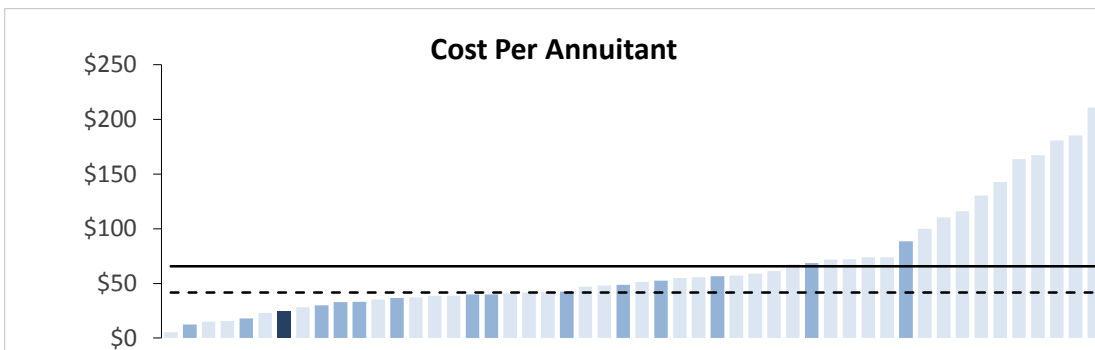
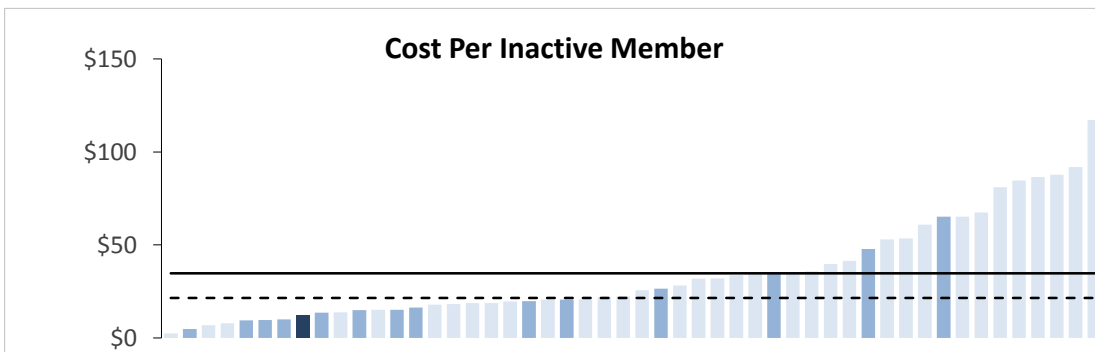
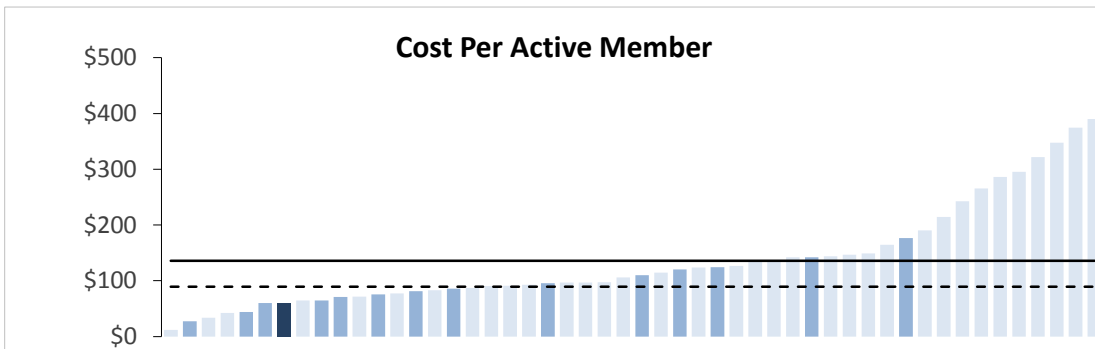
- How much you do. For example, some systems invest more in disaster recovery.
- IT capability
- IT investment cycle
- Plan complexity

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	\$60	\$89	\$177	\$81	\$27	\$136	\$390	\$108	\$12
Inactive Member	\$12	\$21	\$65	\$15	\$5	\$35	\$117	\$24	\$2
Annuitant	\$25	\$42	\$88	\$40	\$12	\$66	\$211	\$50	\$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>	\$000s attributed to:			% attributed to:		
		Active	Inactive	Annuitant	Active	Inactive	Annuitant
<b>1. Member Transactions</b>							
a. Pension Payments	460	0	0	460	0%	0%	100%
b. Pension Inceptions	616	412	57	147	67%	9%	24%
c. Withdrawals and Transfers-out	498	276	222	0	55%	45%	0%
d. Purchases and Transfers-in	172	172	0	0	100%	0%	0%
e. Disability	1,032	1,032	0	0	100%	0%	0%
<b>2. Member Communication</b>							
a. Call Center	1,640	1,000	56	584	61%	3%	36%
b. Mail Room, Imaging	665	406	23	237	61%	3%	36%
c. 1-on-1 Counseling	942	923	18	1	98%	2%	0%
d. Presentations and Group Counseling	525	515	10	1	98%	2%	0%
e. Written Pension Estimates	850	774	76	0	91%	9%	0%
f. Mass Communication	576	448	76	52	78%	13%	9%
<b>3. Collections and Data Maintenance</b>							
a. Data and Money from Employers	599	599	0	0	100%	0%	0%
b. Service to Employers	489	489	0	0	100%	0%	0%
c. Data Not from Employers	244	122	60	62	50%	25%	26%
<b>4. Governance and Financial Control</b>							
a. Financial Administration and Control	864	616	86	162	71%	10%	19%
b. Board, Strategy, Policy	1,661	1,186	165	311	71%	10%	19%
c. Government and Public Relations	38	27	4	7	71%	10%	19%
<b>5. Major Projects</b>							
a. Amortization of non-IT major projects	0	0	0	0	71%	10%	19%
b. Non-IT major projects (if you don't capitalize)	48	34	5	9	71%	10%	19%
c. Amortization of IT major projects	0	0	0	0	71%	10%	19%
d. IT major projects (if you don't capitalize)	1,226	875	122	229	71%	10%	19%
<b>6. Information Technology</b>							
a. IT Strategy, Database, Applications	2,832	2,021	281	530	71%	10%	19%
b. IT Desktop, Networks, Telecom	1,965	1,402	195	367	71%	10%	19%
<b>7. Support Services and Other</b>							
a. Building and Utilities	1,472	1,051	146	275	71%	10%	19%
b. Human Resources	489	349	49	91	71%	10%	19%
c. Actuarial	286	204	28	53	71%	10%	19%
d. Legal and Rule Interpretation	118	84	12	22	71%	10%	19%
e. Internal and External Audit	417	298	41	78	71%	10%	19%
f. Pay-as-you-go benefits for retired staff	0	0	0	0	71%	10%	19%
g. Other Support Services	963	687	96	180	71%	10%	19%
<b>Total Pension Administration Cost (A)</b>	21,685	16,000	1,825	3,860	74%	8%	18%
# of members by type (B)		266,629	149,815	155,775			
<b>Cost per Member Type (A ÷ B)</b>		\$60	\$12	\$25			

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 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

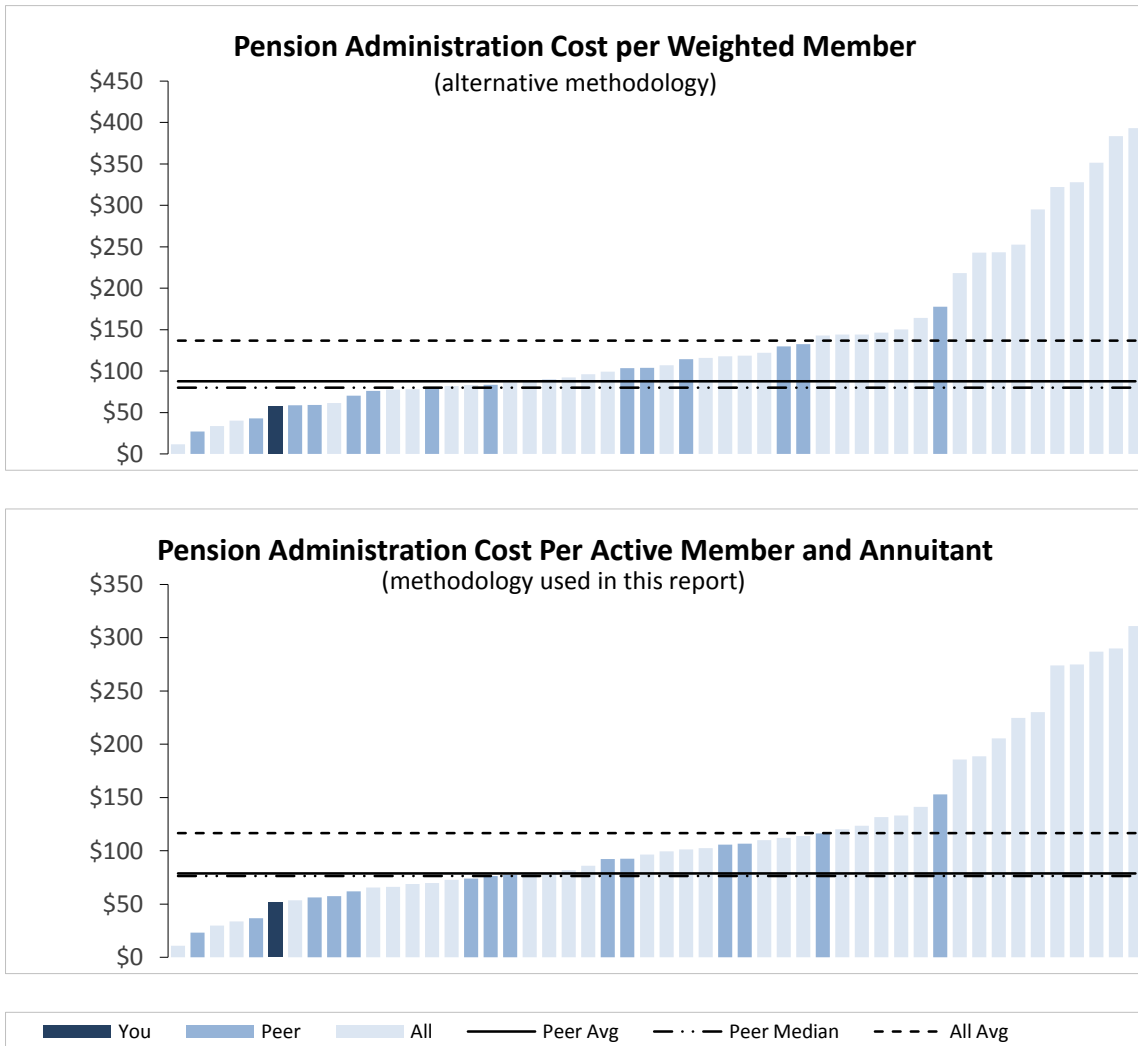
Activity	Attribution Method
1a. Pension Payments	100% annuitants
1b. Pension Inceptions	Pro rata based on weighted inceptions: <ul style="list-style-type: none"> <li>• service retirements of active members weighted 100%</li> <li>• new inceptions annuitants weighted 50% + changes in gross caused by annuitants 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 (development)	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 your 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 \$57.95. This was below the peer average of \$87.86. Members are weighted as follows: active members at 100%, inactive members at 25% and annuitants at 45%.

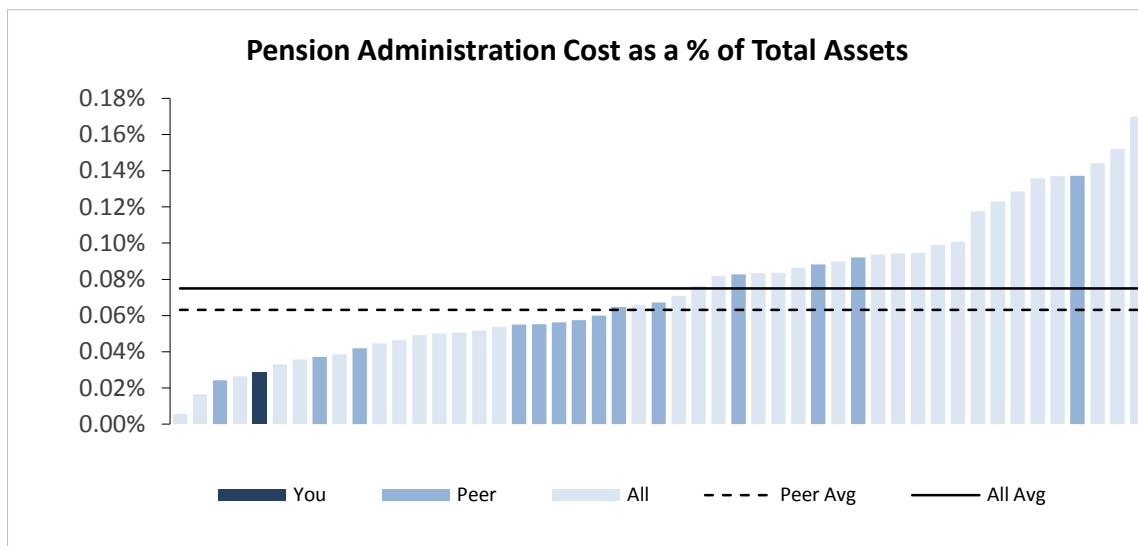
Relative rankings under both methodologies are shown in the graphs below.



## 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 that add up to \$2,612 thousand.

Activity	Your Costs in \$000s				\$s per Active Member and Annuitant
	Salaries & Benefits	Third Party & Other	Attributions to 1f & 1g	Total	
<b>1. Member Transactions</b>					
a. Pension Payments	329	130		460	1.09
b. Pension Inceptions	539	76		616	1.46
c. Withdrawals and Transfers-out	425	73		498	1.18
d. Purchases and Transfers-in	152	20		172	0.41
e. Disability	882	150		1,032	2.44
f. Healthcare Administration	1,417	416	2,252	4,084	9.67
g. Optional and Third Party Administered Benefits	380	52	360	792	1.88
<b>2. Member Communication</b>					
a. Call Center	1,522	118		1,640	3.88
b. Mail Room, Imaging	558	108		665	1.58
c. 1-on-1 Counseling	892	50		942	2.23
d. Presentations and Group Counseling	498	27		525	1.24
e. Written Pension Estimates	817	34		850	2.01
f. Mass Communication	512	65		576	1.36
<b>3. Collections and Data Maintenance</b>					
a. Data and Money from Employers	538	61		599	1.42
b. Service to Employers	459	30		489	1.16
c. Data Not from Employers	213	32		244	0.58
<b>4. Governance and Financial Control</b>					
a. Financial Administration and Control	756	272	-164	864	2.04
b. Board, Strategy, Policy	1,266	661	-265	1,661	3.93
c. Government and Public Relations	44	1	-7	38	0.09
<b>5. Major Projects</b>					
a. Amortization of non-IT major projects	n/a	0	0	0	0.00
b. Non-IT major projects (if you don't capitalize)	24	25	-1	48	0.11
c. Amortization of IT major projects	n/a	0	0	0	0.00
d. IT major projects (if you don't capitalize)	100	1,140	-14	1,226	2.90
<b>6. Information Technology</b>					
a. IT Strategy, Database, Applications	2,275	2,082	-1,525	2,832	6.70
b. IT Desktop, Networks, Telecom	1,135	1,049	-219	1,965	4.65
<b>7. Support Services and Other</b>					
a. Building and Utilities	144	1,492	-164	1,472	3.49
b. Human Resources	474	69	-54	489	1.16
c. Actuarial	33	284	-32	286	0.68
d. Legal and Rule Interpretation	128	3	-13	118	0.28
e. Internal and External Audit	339	125	-46	417	0.99
f. Pay-as-you-go benefits for retired staff	0	n/a	0	0	0.00
g. Other Support Services	932	138	-107	963	2.28
<b>Total Administration</b>	<b>17,779</b>	<b>8,782</b>	<b>0</b>	<b>26,561</b>	<b>62.88</b>
less:					
f. Healthcare Administration	-1,417	-416	-2,252	-4,084	-9.67
g. Optional and Third Party Administered Benefits	-380	-52	-360	-792	-1.88
<b>Total Pension Administration</b>				<b>21,685</b>	<b>51.34</b>

## 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	465,733		408,420			408,420	
Workloads: Transactions per member	39					39	
Productivity: transactions per front-office FTE	121,381	104,072		1,116		105,188	
Costs that vary per FTE (salaries, etc.) per FTE	\$98,058	\$95,831				\$95,831	
Per member costs for:							
Third party & other costs in front-office	\$9.63	\$9.47		\$0.11	\$0.04	\$9.62	
Back office activities	\$36.10			-\$0.19	\$1.00	\$36.90	

**Scale Adjustments:** The impact attribute to economy of scale must be 'backed out' of peer data to avoid double counting. Each peer is independently adjusted by a total amount equaling the expected scale difference between you and that peer. That adjustment is divided across three categories: productivity, third party & other costs in front-office, and back office. 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.

**Workload Adjustments:** Third party & other costs in the front-office are presumed to be 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 transaction volume impact. 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.

**Salary Adjustments:** The impact of higher or lower cost per FTE in the back office is captured in the 'salary' impact. To avoid double counting, it cannot be included in the 'higher or lower spending in back-office activities' impact. 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	460	155,775 annuitants	2.95
b. Pension Inceptions	616	8,527 new payee inceptions	72.18
c. Withdrawals and Transfers-out	498	6,470 withdrawals and transfers-out	76.96
d. Purchases and Transfers-in	172	1,311 purchases and transfers-in	131.05
e. Disability	1,032	2,388 disability applications	432.08
<b>2. Member Communication</b>			
a. Call Center	1,640	220,373 calls and emails	7.44
b. Mail Room, Imaging	665	224,000 incoming mail	2.97
c. 1-on-1 Counseling	942	8,401 members counseled 1-on-1	112.17
d. Presentations and Group Counseling	525	590 member presentations	890.51
e. Written Pension Estimates	850	28,768 written estimates	29.56
f. Mass Communication	576	422,404 active members and annuitants	1.36
<b>3. Collections and Data Maintenance</b>			
a. Data and Money from Employers	599	266,629 active members	2.25
b. Service to Employers	489	266,629 active members	1.83
c. Data Not from Employers	244	572,219 actives, inactives, annuitants	0.43
<b>4. Governance and Financial Control<sup>4</sup></b>			
a. Financial Administration and Control	864	422,404 active members and annuitants	2.04
b. Board, Strategy, Policy	1,661	422,404 active members and annuitants	3.93
c. Government and Public Relations	38	422,404 active members and annuitants	0.09
<b>5. Major Projects<sup>4</sup></b>			
a. Amortization of non-IT major projects	0	422,404 active members and annuitants	0.00
b. Non-IT major projects (if you don't capitalize)	48	422,404 active members and annuitants	0.11
c. Amortization of IT major projects	0	422,404 active members and annuitants	0.00
d. IT major projects (if you don't capitalize)	1,226	422,404 active members and annuitants	2.90
<b>6. Information Technology<sup>4</sup></b>			
a. IT Strategy, Database, Applications	2,832	422,404 active members and annuitants	6.70
b. IT Desktop, Networks, Telecom	1,965	186 pension admin FTE	10,570.89
<b>7. Support Services and Other<sup>4</sup></b>			
a. Building and Utilities	1,472	186 pension admin FTE	7,921.63
b. Human Resources	489	186 pension admin FTE	2,630.38
c. Actuarial	286	422,404 active members and annuitants	0.68
d. Legal and Rule Interpretation	118	422,404 active members and annuitants	0.28
e. Internal and External Audit	417	422,404 active members and annuitants	0.99
f. Pay-as-you-go benefits for retired staff	0	186 pension admin FTE	0.00
g. Other Support Services	963	422,404 active members and annuitants	2.28
<b>Total Pension Administration<sup>3</sup></b>	<b>21,685</b>	<b>422,404 active members and annuitants</b>	<b>51.34</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 \$2,612 thousand. Refer to the last page of this section for details.



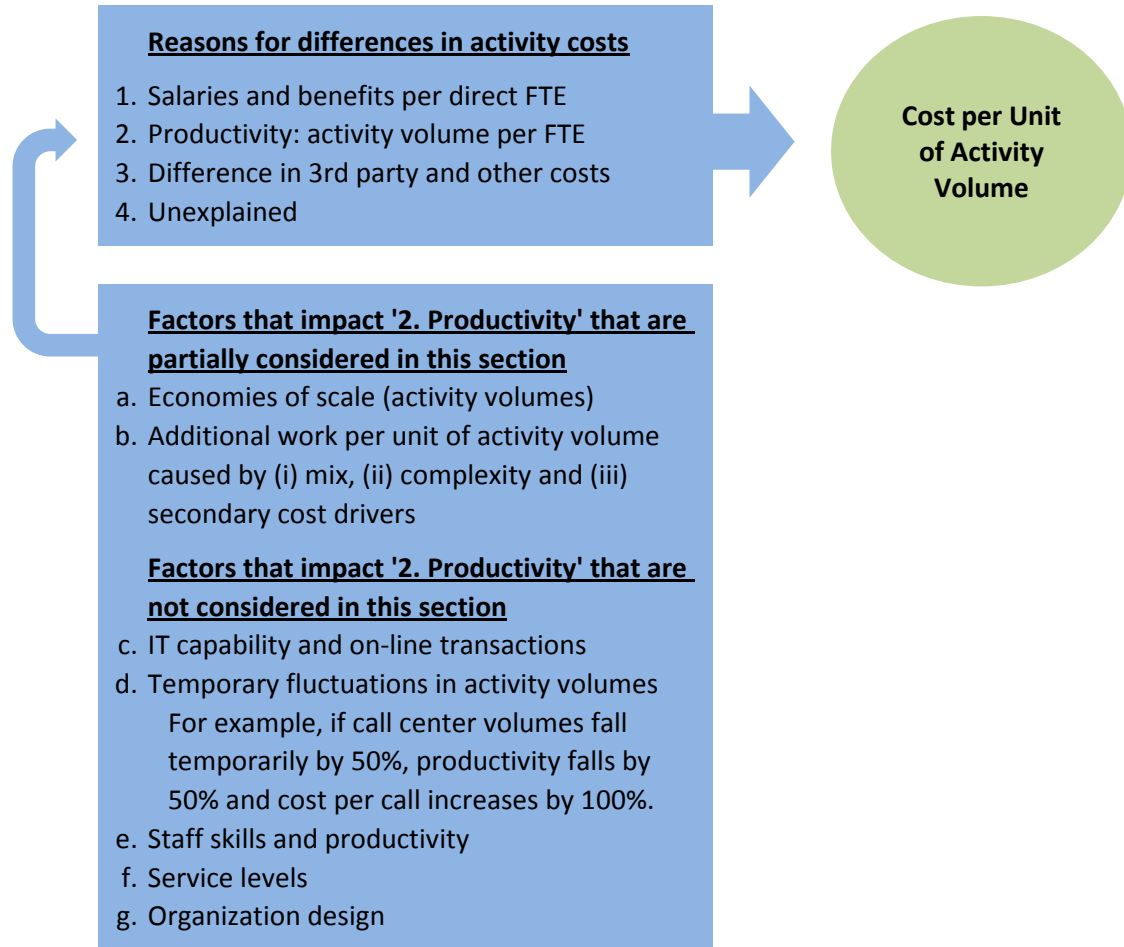
## Summary comparisons of activity costs by quartile breakdown

Comparisons of Direct Activity Costs <sup>1</sup>															
Activity	Cost per:	You	Peer						All Participants						
			Avg	Max	Q3	Med	Q1	Min	Avg	Max	Q3	Med	Q1	Min	
<b>1. Member Transactions</b>															
a. Pension Payments	annuitant	2.95	9.46	31.03	10.67	6.81	4.25	2.80	14.15	94.26	14.69	9.77	4.32	0.83	
b. Pension Inceptions	new payee inception	72.18	143.21	470.40	146.91	114.15	86.66	33.20	240.06	1,368.01	293.85	163.71	90.45	6.46	
c. Withdrawals and Transfers-out	withdrawal & transfer-out	76.96	64.87	313.14	65.82	34.35	26.16	13.18	335.97	3,105.07	322.26	77.94	42.87	13.18	
d. Purchases and Transfers-in	purchase & transfer-in	131.05	273.16	1,784.66	221.45	94.26	63.30	25.46	289.74	1,784.66	353.94	151.14	86.42	5.50	
e. Disability	disability application	432	1,322	4,935	1,628	997	314	125	1,949	9,494	1,851	1,059	355	125	
<b>2. Member Communication</b>															
a. Call Center	call & email	7.44	7.16	14.43	8.09	7.04	5.20	3.42	9.33	52.68	12.19	7.37	4.72	1.47	
b. Mail Room, Imaging	incoming mail	2.97	6.36	21.79	6.74	3.94	2.85	1.58	59.17	1,029.08	11.61	4.70	3.21	1.22	
c. 1-on-1 Counseling	member counseled 1-on-1	112.17	108.73	280.20	121.04	93.47	64.97	29.47	122.19	535.70	137.93	83.04	48.07	16.67	
d. Presentations and Group Counseling	member presentation	890.51	1,329.96	5,582.09	1,404.69	1,189.11	752.57	322.83	2,738.31	43,674.14	2,018.24	1,150.11	856.56	155.27	
e. Written Pension Estimates	written estimate	29.56	53.75	196.39	73.66	43.84	18.08	0.47	1,151.47	48,480.00	184.05	73.11	29.56	0.47	
f. Mass Communication	active member & annuitant	1.36	2.85	8.41	3.13	2.38	1.62	0.90	4.12	13.80	4.62	3.42	2.14	0.55	
<b>3. Collections and Data Maintenance</b>															
a. Data and Money from Employers	active member	2.25	4.50	12.99	5.10	3.71	1.97	1.39	8.76	39.92	10.75	5.76	3.47	0.00	
b. Service to Employers	active member	1.83	2.38	6.05	2.66	1.83	1.56	1.33	2.98	14.14	4.18	2.14	1.38	0.00	
c. Data Not from Employers	active, inactive & annuitant	0.43	0.87	2.10	1.10	0.81	0.53	0.00	1.40	7.89	2.03	0.81	0.32	0.00	
<b>4. Governance and Financial Control</b>															
a. Financial Administration and Control	active member & annuitant	2.04	2.75	7.67	3.56	2.64	1.37	0.39	5.14	20.61	7.82	3.80	2.07	0.28	
b. Board, Strategy, Policy	active member & annuitant	3.93	1.61	3.93	1.98	1.69	0.82	0.14	7.02	75.75	7.09	3.49	1.41	0.12	
c. Government and Public Relations	active member & annuitant	0.09	0.71	2.44	0.93	0.41	0.24	0.09	2.71	33.80	2.98	1.24	0.42	0.00	
<b>5. Major Projects</b>															
a. Amortization of non-IT major projects	active member & annuitant	0.00	0.14	2.08	0.00	0.00	0.00	0.00	0.04	2.08	0.00	0.00	0.00	0.00	
b. Non-IT major projects (if you don't capitalize)	active member & annuitant	0.11	0.48	3.11	0.11	0.00	0.00	0.00	0.68	16.74	0.07	0.00	0.00	0.00	
c. Amortization of IT major projects	active member & annuitant	0.00	0.94	4.39	1.67	0.00	0.00	0.00	2.20	37.81	0.89	0.00	0.00	0.00	
d. IT major projects (if you don't capitalize)	active member & annuitant	2.90	2.95	15.59	3.59	1.29	0.19	0.00	6.24	83.08	4.32	0.76	0.00	0.00	
<b>6. Information Technology</b>															
a. IT Strategy, Database, Applications	active member & annuitant	6.70	12.34	30.47	14.95	11.97	6.28	0.84	14.61	39.18	21.20	12.98	6.07	0.00	
b. IT Desktop, Networks, Telecom	pension admin fte	10,571	9,737	20,113	12,567	9,440	6,556	637	9,133	28,037	11,540	9,126	6,015	0	
<b>7. Support Services and Other</b>															
a. Building and Utilities	pension admin fte	7,922	9,337	17,937	11,803	9,576	6,413	136	9,949	20,989	14,173	9,283	5,355	136	
b. Human Resources	pension admin fte	2,630	2,383	5,285	3,001	1,825	1,616	339	3,771	16,698	5,135	2,280	1,637	0	
c. Actuarial	active member & annuitant	0.68	1.26	2.47	1.80	0.96	0.77	0.13	1.88	7.77	2.42	1.53	0.65	0.00	
d. Legal and Rule Interpretation	active member & annuitant	0.28	3.26	13.62	3.47	2.26	1.64	0.28	5.73	55.31	5.71	2.69	1.84	0.05	
e. Internal and External Audit	active member & annuitant	0.99	1.42	4.68	1.84	1.06	0.67	0.33	2.61	18.35	2.57	1.34	0.72	0.00	
f. Pay-as-you-go benefits for retired staff	pension admin fte	0.00	586.97	6,382.78	341.13	0.00	0.00	0.00	316.76	6,382.78	0.00	0.00	0.00	0.00	
g. Other Support Services	active member & annuitant	2.28	3.83	23.62	2.97	1.60	1.03	0.00	3.44	50.28	3.36	1.19	0.03	0.00	
<b>Total Pension Administration<sup>2</sup></b>	active member & annuitant	51.34	78.72	152.87	99.11	76.40	56.72	23.25	116.67	310.83	132.70	98.06	69.11	10.83	

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.

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



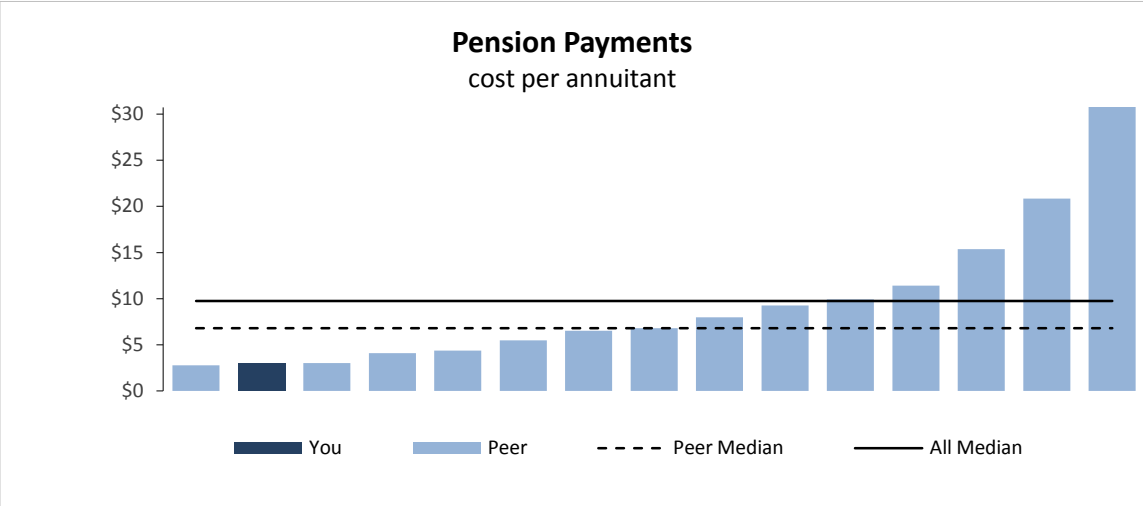
In this section, CEM quantifies the amount by which differences in the four reasons identified in the top box above impact your costs by calculating how your costs would change if you had the peer median salaries/ productivity/ third party and other costs. This methodology results in an unexplained amount, 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 \$2.95. This was \$3.86 below the peer median of \$6.81. The biggest reason why was that you had lower third party costs per annuitant.



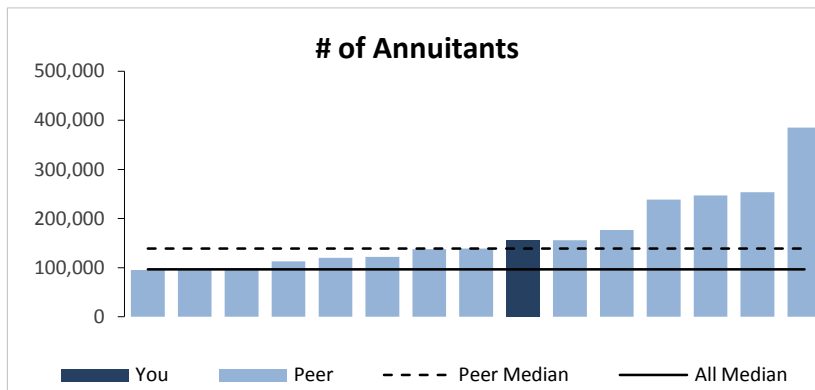
Reasons why your cost was below median	Comparison		Impact <sup>1</sup> \$s per Annuitant
	You	Peer Median	
Equal salaries and benefits per direct FTE	\$64,588	\$64,588	\$0.00
More annuitants per direct FTE (productivity)	30,544	19,045	-\$1.28
Lower third party costs per annuitant	\$0.84	\$3.29	-\$2.46
Unexplained <sup>1</sup>			-\$0.13
<b>Cost per annuitant</b>	<b>\$2.95</b>	<b>\$6.81</b>	<b>-\$3.86</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 4 of this section).

# 1A Pension Payments - Factors that impact productivity

## 1. Economies of scale

You had an economy of scale advantage. Your 155,775 annuitants was 12% higher than the peer median of 138,769.

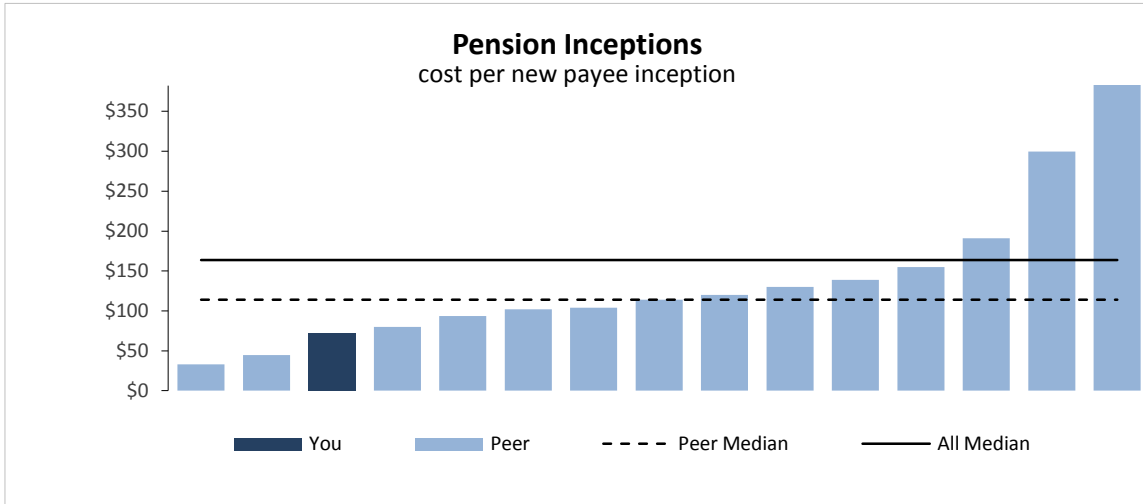


## 2. Additional pension payments work per annuitant

Causes of additional work	You	Peer Avg	Cost Impact
Percentage of pensioners paid by check (as opposed to Electronic Funds Transfer)	1%	6%	decreasing
Number of times per year you sent payment advices with your EFT payments detailing the gross payment and deductions	6.0	5.9	increasing

# 1B Pension Inceptions

Your pension inceptions cost per new payee inception was \$72.18. This was \$41.97 below the peer median of \$114.15. The biggest reason why was that you completed more new payee inceptions per direct FTE (productivity).



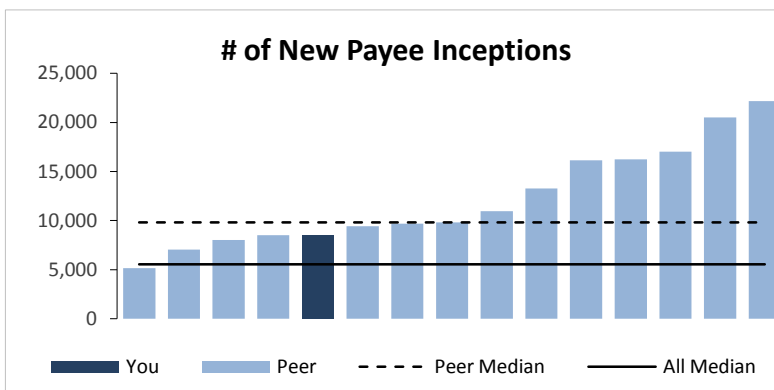
Reasons why your cost was below median	Comparison		Impact <sup>1</sup> \$s per New Payee Inception
	You	Peer Median	
Lower salaries and benefits per direct FTE	\$64,214	\$65,435	-\$1.20
More new payee inceptions per direct FTE (productivity)	1,015	614	-\$41.28
Higher third party costs per new payee inception	\$8.92	\$3.21	\$5.71
Unexplained <sup>1</sup>			-\$5.20
<b>Cost per new payee inception</b>	<b>\$72.18</b>	<b>\$114.15</b>	<b>-\$41.97</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 4 of this section).

# 1B Pension Inceptions - Factors that impact productivity

## 1. Economies of scale

You had an economy of scale disadvantage. Your 8,527 new payee inceptions was 13% lower than the peer median of 9,816.



## 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.

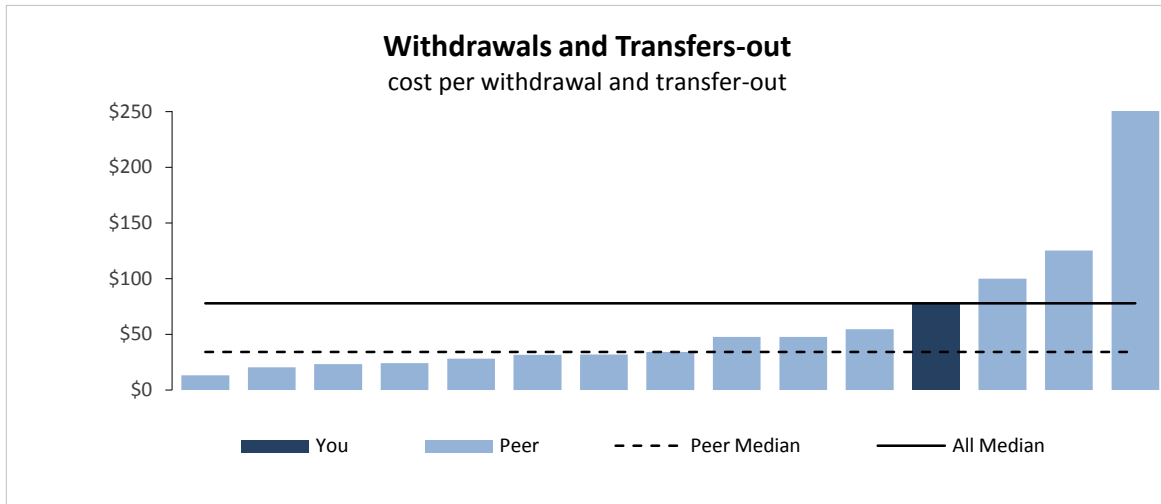
Activity Volume: % by Type	You	Peer Avg	Cost Impact
Active member service retirements	81%	75%	
Inactive member service retirements	16%	13%	
Disability retirements	1%	4%	
Inceptions to survivors, partners, ex-partners or dependents	2%	8%	increasing
Total new payee inceptions	100%	100%	

## 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	100%	63%	increasing
Formal appeals (non-disability) of inceptions as a % of new payee inceptions	0.02%	0.36%	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).	111%	13%	increasing
Joint account reciprocity with other systems	Yes	47%Yes	increasing
Total complexity score (out of 100)	100	70	decreasing

## 1C Withdrawals and Transfers-out

Your withdrawals and transfers-out cost per withdrawal and transfer-out was \$76.96. This was \$42.61 above the peer median of \$34.35. The biggest reason why was that you completed fewer withdrawals and transfers-out per direct FTE (productivity).



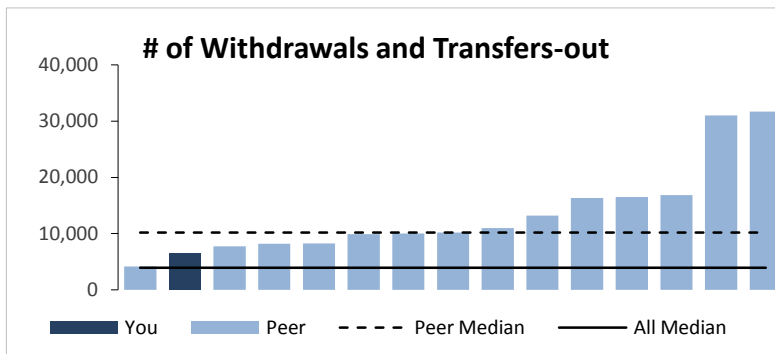
Reasons why your cost was above median	Comparison		Impact <sup>1</sup>
	You	Peer Median	\$s per Withdrawal and Transfer-out
Higher salaries and benefits per direct FTE	\$65,323	\$64,262	\$1.07
Fewer withdrawals and transfers-out per direct FTE (productivity)	995	2,139	\$35.09
Higher third party costs per withdrawal and transfer-out	\$11.33	\$2.73	\$8.60
Unexplained <sup>1</sup>			-\$2.15
<b>Cost per withdrawal and transfer-out</b>	<b>\$76.96</b>	<b>\$34.35</b>	<b>\$42.61</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 4 of this section).

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

## 1. Economies of scale

You had an economy of scale disadvantage. Your 6,470 withdrawals and transfers-out was 36% lower than the peer median of 10,158.



## 2. Mix of activity volume

Individual transfers-out tend to be more work than a withdrawal because they requires 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%	95%	
Members collectively transferred-out	0%	1%	
Individual transfers-out	0%	4%	decreasing
Total withdrawals and transfers-out	100%	100%	

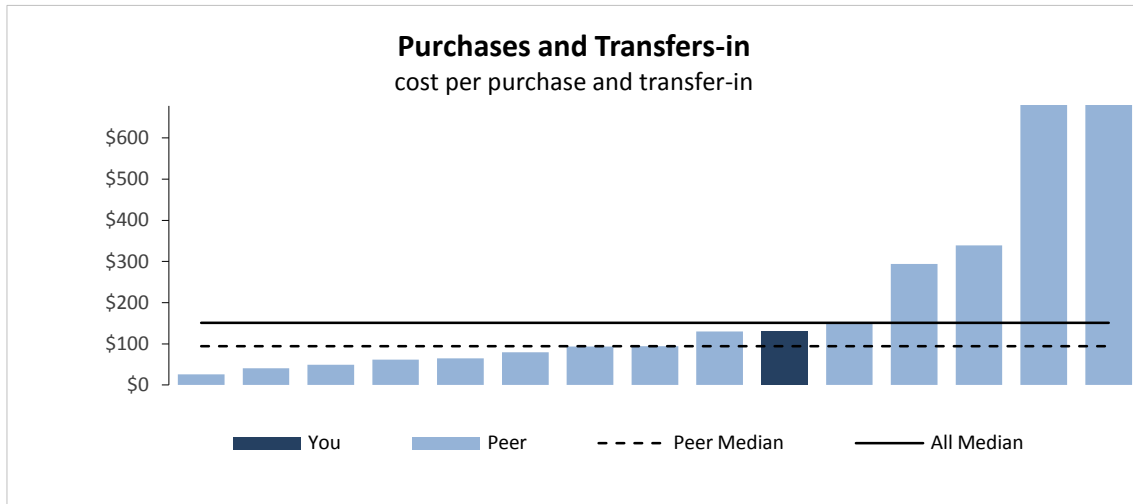
## 3. Additional work per withdrawal and transfer-out

Causes of additional work	You	Peer Avg	Cost Impact
Written estimates for withdrawals and transfers-out as a % of withdrawals and transfers-out	46%	67%	decreasing
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 \$131.05. This was \$36.79 above the peer median of \$94.26. The biggest reason why was that you completed fewer purchases and transfers-in per direct FTE (productivity).



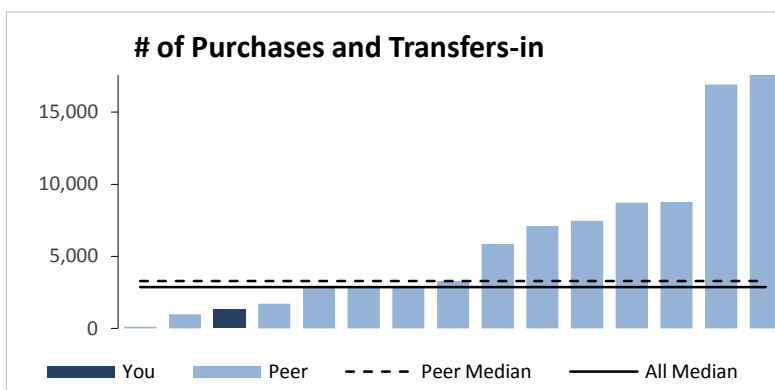
Reasons why your cost was above median	Comparison		Impact <sup>1</sup>
	You	Peer Median	\$s per Purchase and Transfer-in
Higher salaries and benefits per direct FTE	\$72,333	\$67,900	\$7.10
Fewer purchases and transfers-in per direct FTE (productivity)	624	766	\$21.41
Higher third party costs per purchase and transfer-in	\$15.18	\$2.56	\$12.62
Unexplained <sup>1</sup>			-\$4.35
<b>Cost per purchase and transfer-in</b>	<b>\$131.05</b>	<b>\$94.26</b>	<b>\$36.79</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 4 of this section).

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

## 1. Economies of scale

You had an economy of scale disadvantage. Your 1,311 purchases and transfers-in was 60% lower than the peer median of 3,299.



## 2. Mix of activity volume

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

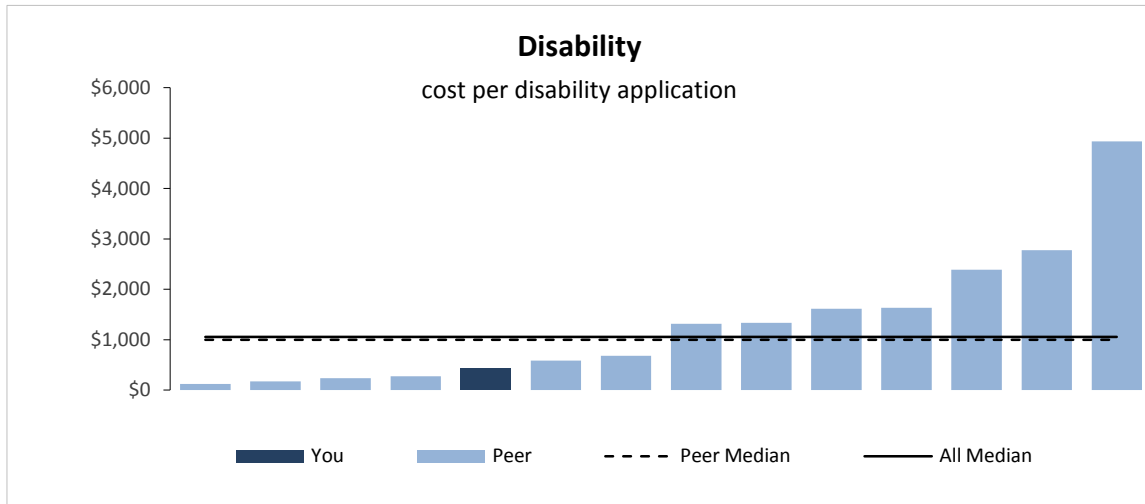
Activity Volume: % by Type	You	Peer Avg	Cost Impact
Service credit purchases	100%	84%	
Upgrades to improve pensionable salary	0%	3%	
Upgrades to a new retirement formula	0%	0%	
Individual transfers-in from external defined benefit systems?	0%	3%	decreasing
Members collectively transferred in	0%	9%	
Total 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	144%	171%	decreasing
Installment payments permitted	No	73%Yes	decreasing

## 1E Disability

Your disability cost per disability application was \$432.08. This was \$564.46 below the peer median of \$996.54.



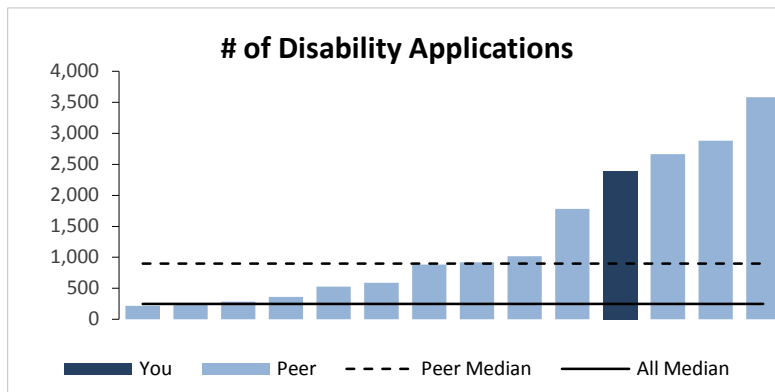
Reasons why your cost was below median	Comparison		Impact <sup>1</sup> \$s per Disability Application
	You	Peer Median	
Higher salaries and benefits per direct FTE	\$76,009	\$70,036	\$29
More disability applications per direct FTE (productivity)	206	176	-\$63
Lower third party costs per disability application	\$63	\$243	-\$181
Unexplained <sup>1</sup>			-\$351
<b>Cost per disability application</b>	<b>\$432</b>	<b>\$997</b>	<b>-\$565</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 4 of this section).

# 1E Disability - Factors that impact productivity

## 1. Economies of scale

You had an economy of scale advantage. Your 2,388 disability applications was 165% higher than the peer median of 900.



## 2. Mix of activity volume

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

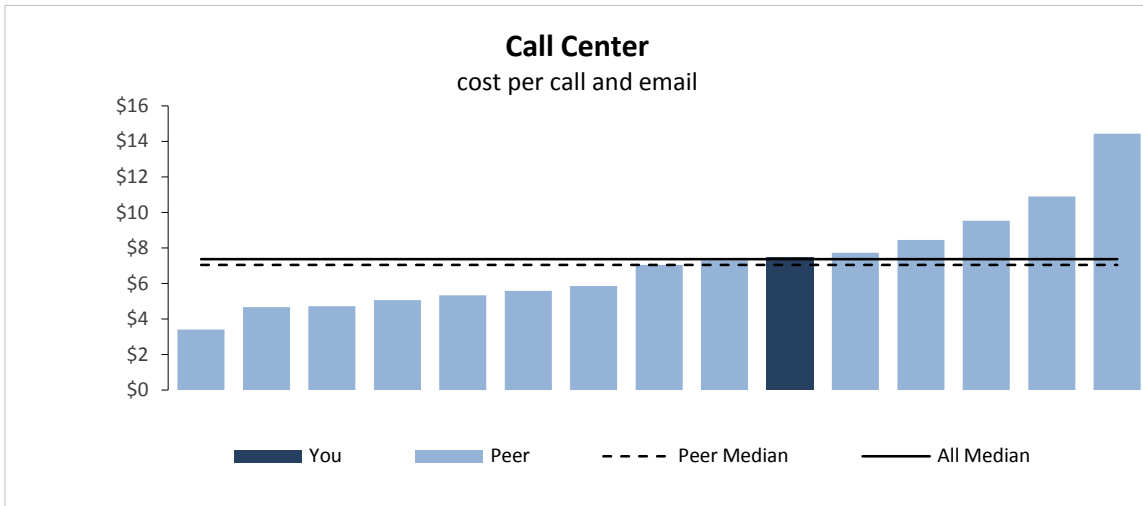
Activity Volume: % by Type	You	Peer Avg	Cost Impact
Applications for short-term disability	64%	11%	
Applications for disability pensions/ long-term disability/ disability lump sums	36%	89%	decreasing
Total disability applications	100%	100%	

## 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
Medical exams paid for by you as a % of disability applications	0%	48%	decreasing
New member health reviews as a % of disability applications	9%	5%	increasing
Disability decision appeals a % of disability applications	3%	10%	decreasing
Occupational disability as a % of disability applications	0%	8%	decreasing
Disability complexity score (out of 100)	85	81	decreasing

## 2A Call Center

Your call center cost per call and email was \$7.44. This was \$0.40 above the peer median of \$7.04. The biggest reason why was that you completed fewer calls and emails per direct FTE (productivity).



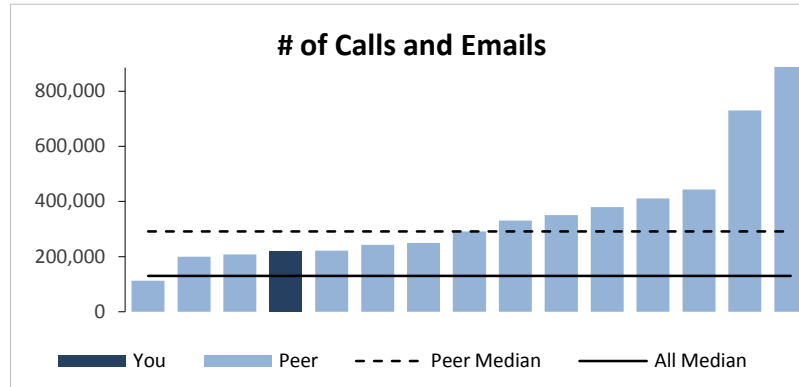
Reasons why your cost was above median	Comparison		Impact <sup>1</sup> \$s per Call and Email
	You	Peer Median	
Higher salaries and benefits per direct FTE	\$62,901	\$61,923	\$0.11
Fewer calls and emails per direct FTE (productivity)	9,106	11,234	\$1.31
Higher third party costs per call and email	\$0.53	\$0.45	\$0.08
Unexplained <sup>1</sup>			-\$1.10
<b>Cost per call and email</b>	<b>\$7.44</b>	<b>\$7.04</b>	<b>\$0.40</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 4 of this section).

## 2A Call Center - Factors that impact productivity

### 1. Economies of scale

You had an economy of scale disadvantage. Your 220,373 calls and emails was 24% lower than the peer median of 291,007.

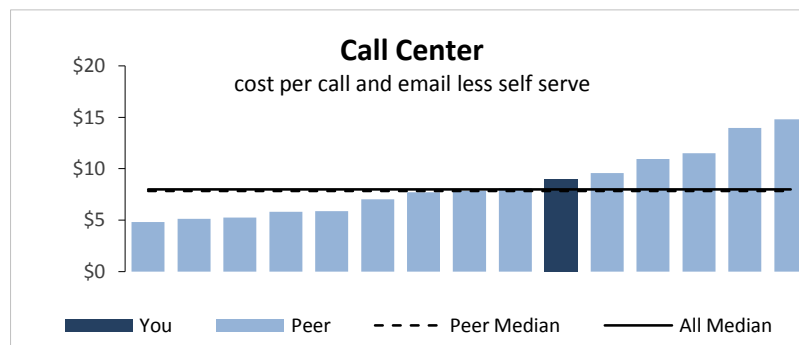


### 2 Mix of activity volume

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	62%	75%	
Outgoing calls from service representatives	12%	5%	
Calls satisfied by self-serve options	17%	14%	decreasing
Email queries from members	8%	6%	
Total calls and emails	100%	100%	

If self-serve calls were excluded from volumes, your cost per call and email would have been \$9.01. This would have been above the peer median cost of \$7.85.

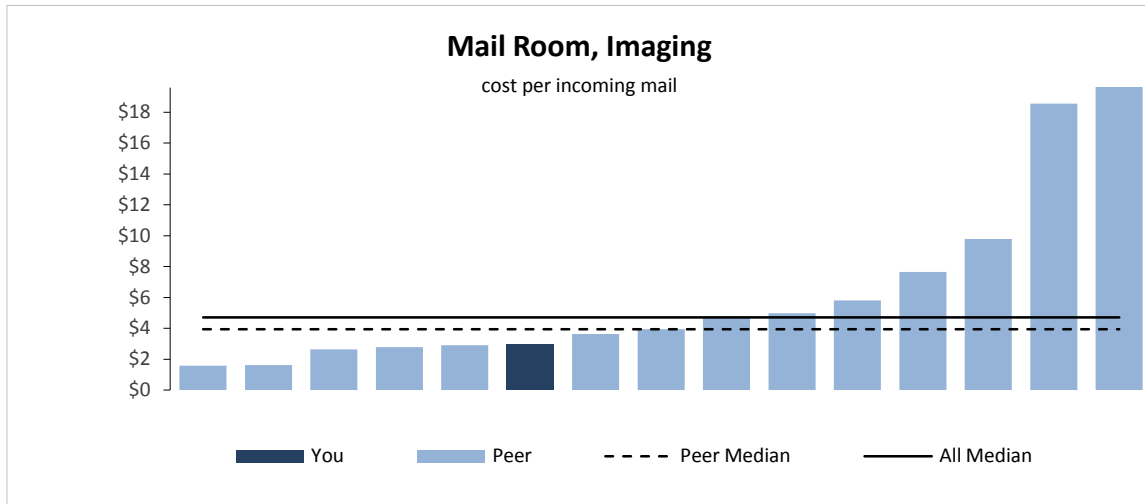


### 3. Additional work per call and email

Causes of additional work	You	Peer Avg	Cost Impact
Average duration of a member call (in seconds)	284	329	decreasing
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 \$2.97. This was \$0.97 below the peer median of \$3.94. The biggest reason why was that you had lower third party costs per incoming mail.



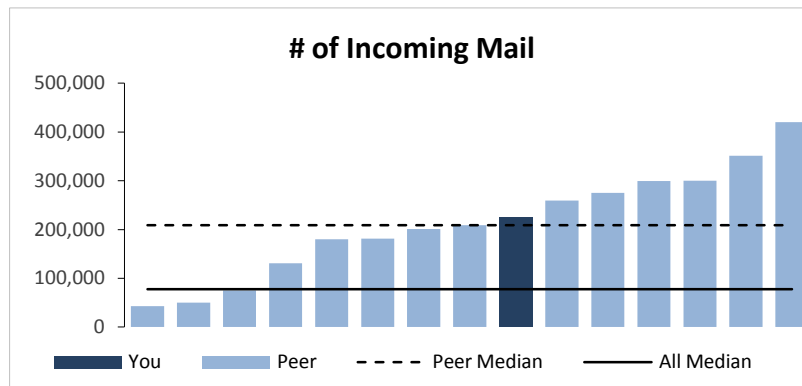
Reasons why your cost was below median	Comparison		Impact <sup>1</sup> \$s per Incoming Mail
	You	Peer Median	
Higher salaries and benefits per direct FTE	\$50,261	\$46,157	\$0.20
Fewer incoming mail per direct FTE (productivity)	20,180	23,129	\$0.32
Lower third party costs per incoming mail	\$0.48	\$1.73	-\$1.25
Unexplained <sup>1</sup>			-\$0.24
<b>Cost per incoming mail</b>	<b>\$2.97</b>	<b>\$3.94</b>	<b>-\$0.97</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 4 of this section).

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

### 1. Economies of scale

You had an economy of scale advantage. Your 224,000 incoming mail was 7% higher than the peer median of 208,935.



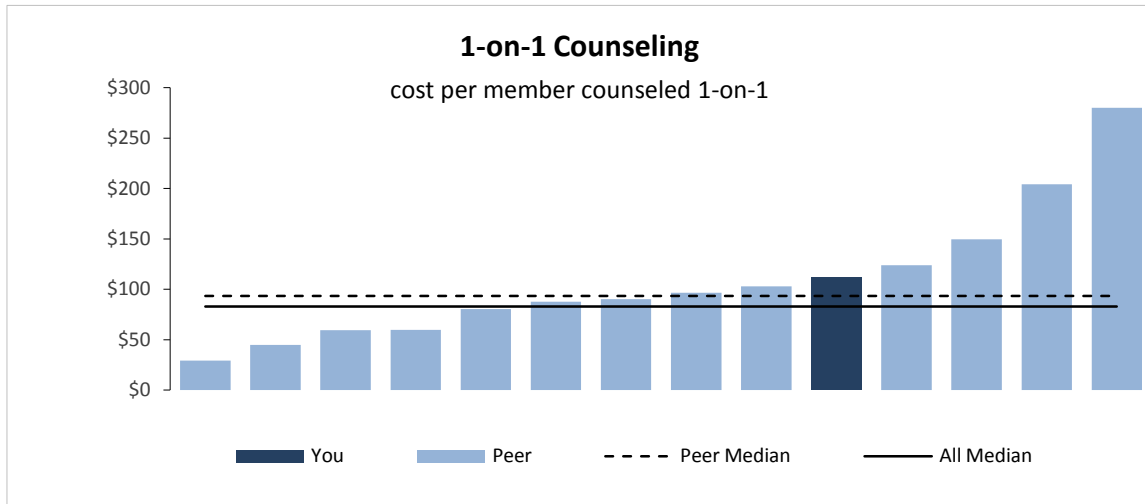
### 2. Additional work per incoming mail

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).	1,004%	623%	decreasing
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	87%Yes	increasing



## 2C 1-on-1 Counseling

Your 1-on-1 counseling cost per member counseled 1-on-1 was \$112.17. This was \$18.70 above the peer median of \$93.47. The biggest reason why was that you completed fewer members counseled 1-on-1 per direct FTE (productivity).



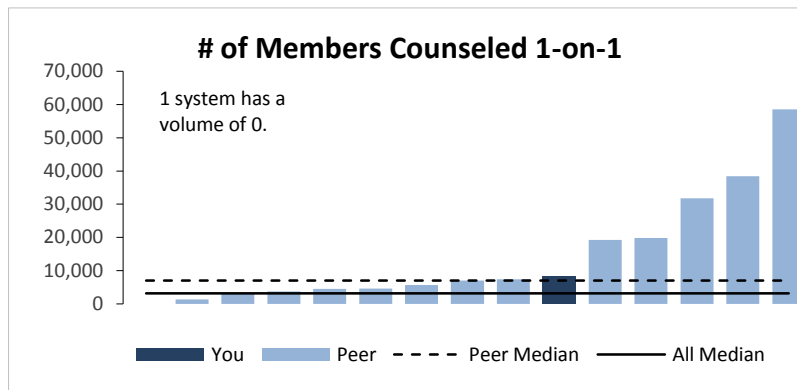
Reasons why your cost was above median	Comparison		Impact <sup>1</sup> \$s per Member Counseled 1-on- 1
	You	Peer Median	
Higher salaries and benefits per direct FTE	\$74,342	\$71,269	\$4.39
Fewer members counseled 1-on-1 per direct FTE (productivity)	700	811	\$14.58
Higher third party costs per member counseled 1-on-1	\$5.98	\$3.48	\$2.49
Unexplained <sup>1</sup>			-\$2.76
<b>Cost per member counseled 1-on-1</b>	<b>\$112.17</b>	<b>\$93.47</b>	<b>\$18.70</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 4 of this section).

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

### 1. Economies of scale

You had an economy of scale advantage. Your 8,401 members counseled 1-on-1 was 20% higher than the peer median of 6,991.



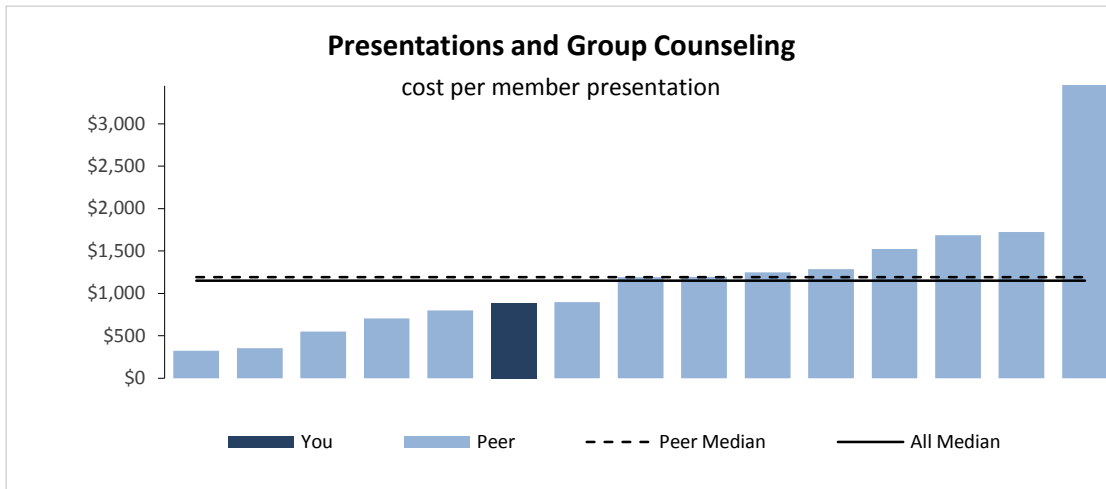
### 2. Mix of activity volume

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

Activity Volume: % by Type	You	Peer Avg	Cost Impact
In-house	99%	67%	increasing
In the field	1%	30%	decreasing
Via teleconference	0%	2%	increasing
Total members counseled 1-on-1	100%	100%	

## 2D Presentations and Group Counseling

Your presentations and group counseling cost per member presentation was \$890.51. This was \$298.60 below the peer median of \$1,189.11. The biggest reason why was that you had lower third party costs per member presentation.



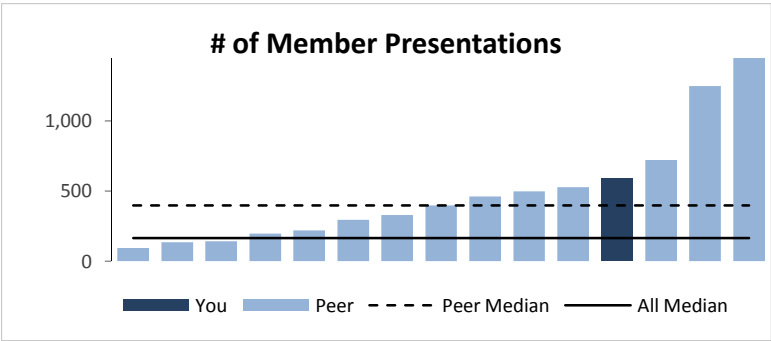
Reasons why your cost was below median	Comparison		Impact <sup>1</sup>
	You	Peer Median	\$s per Member Presentation
Equal salaries and benefits per direct FTE	\$74,388	\$74,388	\$0
Equal member presentations per direct FTE (productivity)	88	88	\$0
Lower third party costs per member presentation	\$45.76	\$220.21	-\$174
Unexplained <sup>1</sup>			-\$124
<b>Cost per member presentation</b>	<b>\$891</b>	<b>\$1,189</b>	<b>-\$299</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 4 of this section).

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

## 1. Economies of scale

You had an economy of scale advantage. Your 590 member presentations was 49% higher than the peer median of 397.



## 2. Mix of activity volume

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

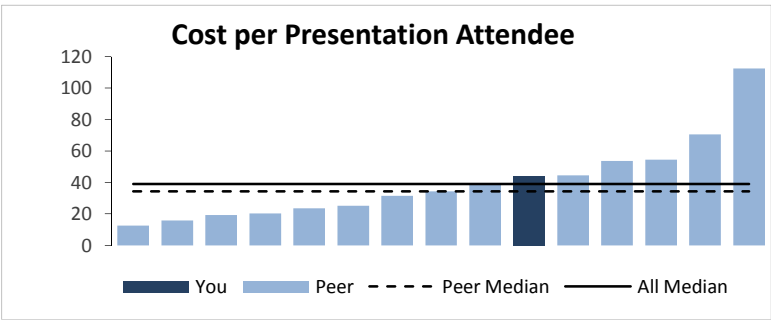
Presentations and Group Counseling by Location	You	Peer Avg	Cost Impact
In-house	51%	14%	
In the field	47%	73%	decreasing
Benefit fairs	2%	13%	
Total presentations and group counseling	100%	100%	

## 3. Attendees per 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 20 attendees per presentation, versus a peer average of 34.

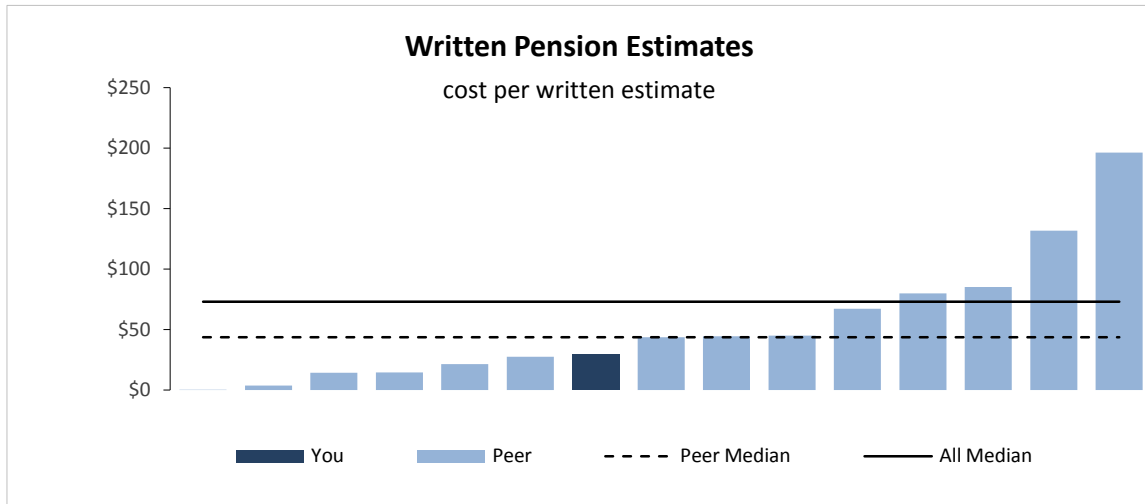
	You	Peer Avg	Cost Impact
Average attendees per presentation	20	34	increasing

An alternative way of analyzing this activity's cost is on a 'per attendee' basis. Your cost per presentation attendee was \$44. This was above the peer median cost of \$34.



## 2E Written Pension Estimates

Your written pension estimates cost per written estimate was \$29.56. This was \$14.28 below the peer median of \$43.84. The biggest reason why was that you completed more written estimates per direct FTE (productivity).



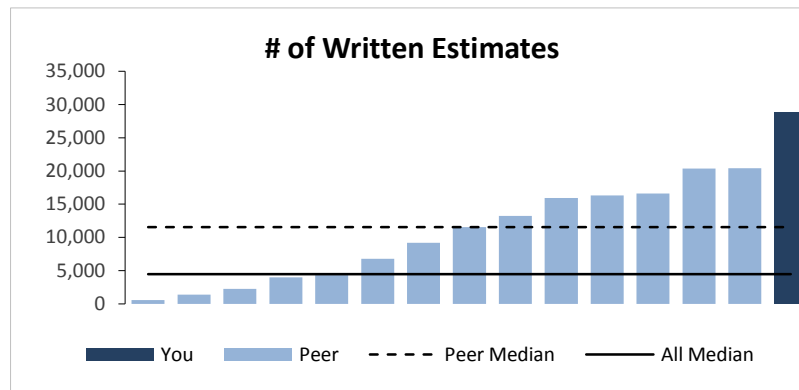
Reasons why your cost was below median	Comparison		Impact <sup>1</sup>
	You	Peer Median	\$s per Written Estimate
Higher salaries and benefits per direct FTE	\$71,658	\$66,147	\$2.18
More written estimates per direct FTE (productivity)	2,524	1,726	-\$13.12
Higher third party costs per written estimate	\$1.16	\$0.47	\$0.69
Unexplained <sup>1</sup>			-\$4.04
<b>Cost per written estimate</b>	<b>\$29.56</b>	<b>\$43.84</b>	<b>-\$14.28</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 4 of this section).

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

### 1. Economies of scale

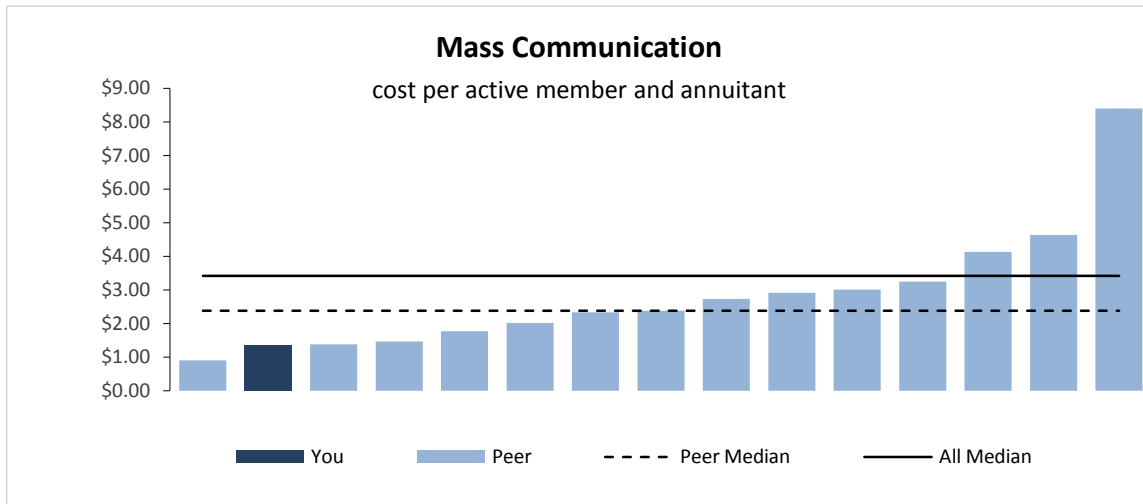
You had an economy of scale advantage. Your 28,768<sup>1</sup> written estimates was 149% higher than the peer median of 11,566.



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 28,768 by your average number of scenarios per request of 1.0.

## 2F Mass Communication

Your mass communication cost per active member and annuitant was \$1.36. This was \$1.02 below the peer median of \$2.38. The biggest reason why was that you had lower third party costs per active member and annuitant.



Reasons why your cost was below median	Comparison		Impact <sup>1</sup> \$s per Active Member and Annuitant
	You	Peer Median	
Higher salaries and benefits per direct FTE Equal direct FTE per 10,000 active members and annuitants (productivity) <sup>2</sup>	\$85,250	\$74,622	\$0.15
Lower third party costs per active member and annuitant	\$0.15	\$1.12	-\$0.97
Unexplained <sup>1</sup>			-\$0.20
<b>Cost per active member and annuitant</b>	<b>\$1.36</b>	<b>\$2.38</b>	<b>-\$1.02</b>

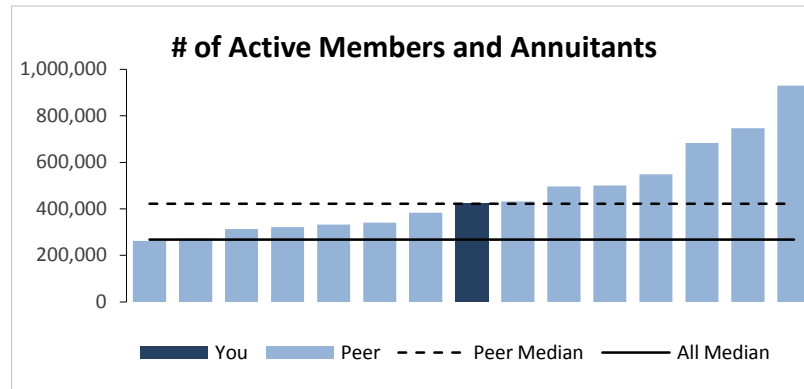
1. Impact equals your activity cost minus what it would have been if your value had equaled the peer median. An unexplained amount occurs using this methodology (refer to page 4 of this section).

2. You had 6.0 mass communication FTE which was 9% less than the peer median of 6.6. The difference changes direction and was less favorable on a 'per active members and annuitants' basis (your 0.14 mass communication FTE per 10,000 active members and annuitants was equal to the peer median of 0.14).

## 2F Mass Communication - Factors that impact productivity

### 1. Economies of scale

Your 422,404 active members and annuitants was the peer median. Thus the impact of economies of scale was minimized.



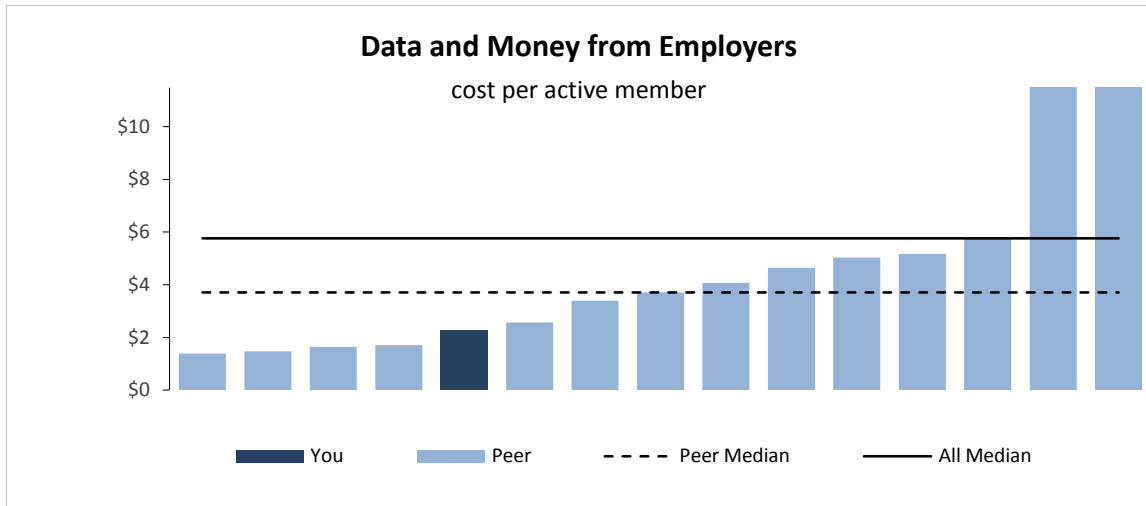
### 2. Additional mass communication work per active member and annuitant

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.	41	72	decreasing
Times per year you send newsletters to:			
a) Active members?	3.0	3.0	neutral
b) Retired members?	3.0	2.6	increasing
c) All inactive members?	1.0	2.0	decreasing
% of newsletters mailed to active members' homes (versus email or distributing through employers)	0%	61%	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%	67%	decreasing
Do you send:			
a) Annual report summary to all active members?	No	33%Yes	decreasing
b) Annual report summary to all retired members?	No	33%Yes	decreasing
c) Welcome kits to new members?	Yes	93%Yes	increasing
d) Brochure summarizing benefits to active members every year?	No	27%Yes	decreasing



### 3A Data and Money from Employers

Your data and money from employers cost per active member was \$2.25. This was \$1.46 below the peer median of \$3.71. The biggest reason why was that you had fewer direct FTE per 10,000 active members (productivity)<sup>2</sup>.



Reasons why your cost was below median	Comparison		Impact <sup>1</sup> \$s per Active Member
	You	Peer Median	
Higher salaries and benefits per direct FTE	\$75,718	\$69,225	\$0.17
Fewer direct FTE per 10,000 active members (productivity) <sup>2</sup>	0.17	0.29	-\$0.95
Equal third party costs per active member	\$0.23	\$0.23	\$0.00
Unexplained <sup>1</sup>			-\$0.68
<b>Cost per active member</b>	<b>\$2.25</b>	<b>\$3.71</b>	<b>-\$1.46</b>

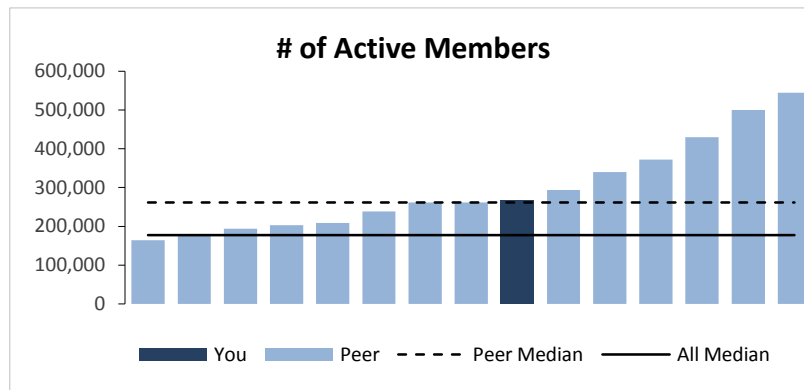
1. Impact equals your activity cost minus what it would have been if your value had equaled the peer median. An unexplained amount occurs using this methodology (refer to page 4 of this section).
2. You had 7.1 data and money from employers FTE which was 29% less than the peer median of 10.0. The percentage difference was more favorable on a 'per active members' basis (your 0.17 FTE per 10,000 active members was 43% less than the peer median of 0.29) because you had an economy of scale advantage.

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

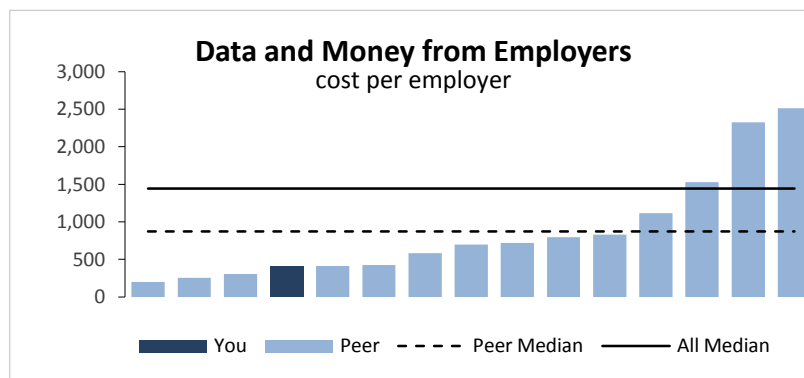
You had an economy of scale advantage. Your 266,629 active members was 2% higher than the peer median of 261,700.



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

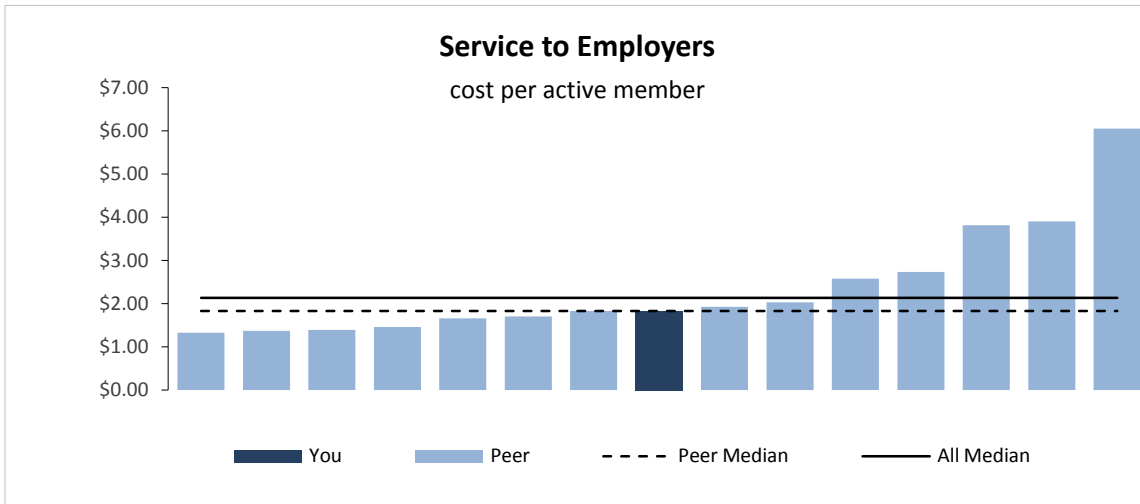
Causes of additional work	You	Peer Avg	Cost Impact
How many 'reconciliation points' (i.e., employers, state agencies, departments and/or service providers, etc.) do you deal with when:			
• Validating member data? (as a % of active members)	0.6%	0.6%	neutral
• Reconciling money issues? (as a % of active members)	0.6%	0.6%	neutral
Active members whose data is provided in paper format (as a % of active members)	1.5%	343.4%	decreasing
Status changes as a % of active members			
• New active members	5.7%	7.4%	decreasing
• Re-hired inactive members	0.9%	2.3%	decreasing
• Re-hired service retirees, if annuity stops	0.0%	0.1%	decreasing
• Active members exiting to inactive or withdrawal	3.7%	6.9%	decreasing
• Active member service retirements	2.6%	3.1%	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 \$1.83. This was equal to the peer median.



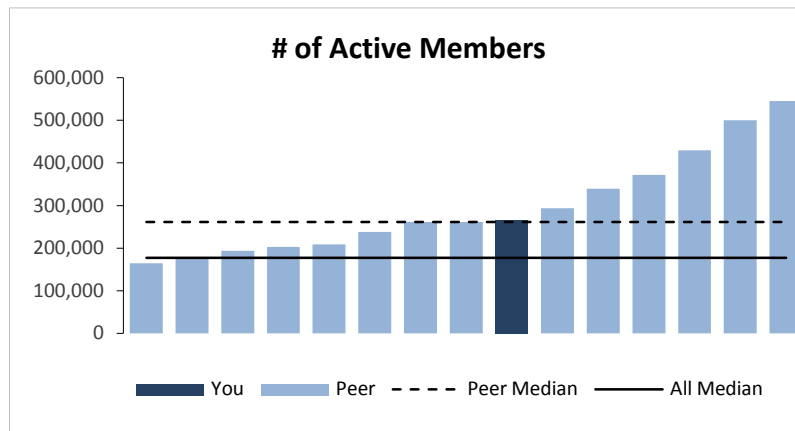
Reasons why your cost was equal to median	Comparison		Impact <sup>1</sup> \$s per Active Member
	You	Peer Median	
Higher salaries and benefits per direct FTE	\$77,712	\$76,872	\$0.02
Equal direct FTE per 10,000 active members (productivity) <sup>2</sup>	0.14	0.14	\$0.00
Lower third party costs per active member	\$0.11	\$0.17	-\$0.06
Unexplained <sup>1</sup>			\$0.04
<b>Cost per active member</b>	<b>\$1.83</b>	<b>\$1.83</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 4 of this section).
2. You had 5.9 service to employers FTE which was 12% less than the peer median of 6.7. The difference changes direction and 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

You had an economy of scale advantage. Your 266,629 active members was 2% higher than the peer median of 261,700.

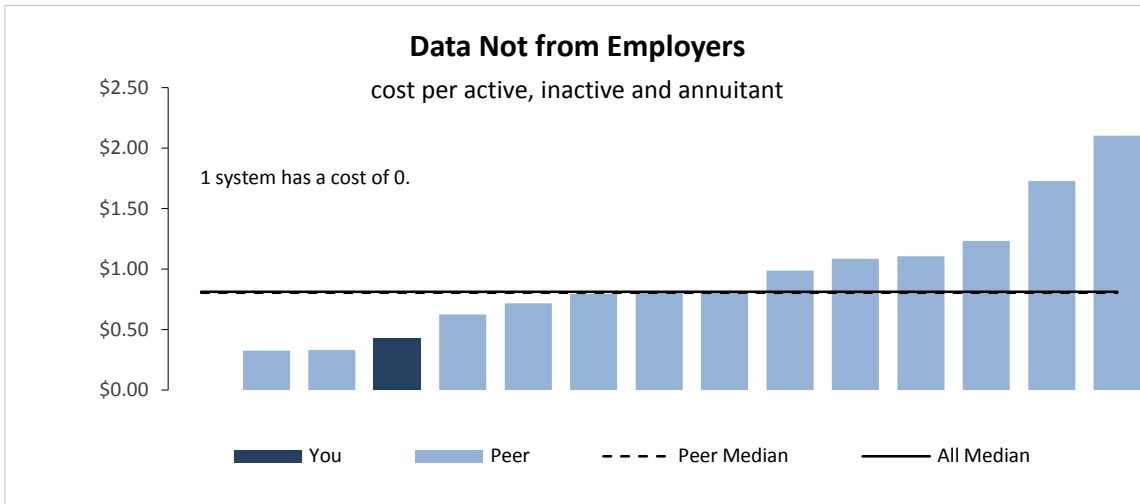


### 2. Additional service to employers work per active member

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?	3.0%	8.1%	decreasing
b) Email queries from employers?	0.2%	8.0%	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 \$0.43. This was \$0.38 below the peer median of \$0.81. 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	
Higher salaries and benefits per direct FTE	\$70,833	\$62,830	\$0.04
Fewer direct FTE per 10,000 actives, inactives, annuitants (productivity) <sup>2</sup>	0.07	0.14	-\$0.52
Equal third party costs per active, inactive and annuitant	\$0.06	\$0.06	\$0.00
Unexplained <sup>1</sup>			\$0.09
<b>Cost per active, inactive and annuitant</b>	<b>\$0.43</b>	<b>\$0.81</b>	<b>-\$0.38</b>

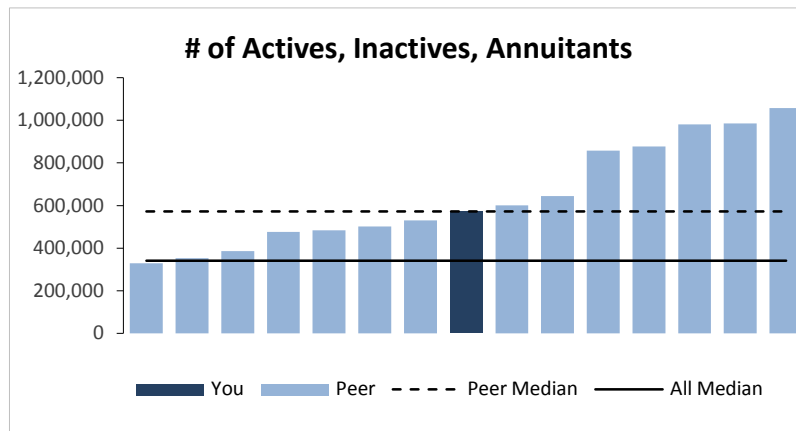
1. Impact equals your activity cost minus what it would have been if your value had equaled the peer median. An unexplained amount occurs using this methodology (refer to page 4 of this section).

2. You had 3.0 data not from employers FTE which was 50% less than the peer median of 6.0. The percentage difference was more favorable on a 'per actives, inactives, annuitants' basis (your 0.07 data not from employers FTE per 10,000 actives, inactives, annuitants was 51% less than the peer median of 0.14).

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

#### 1. Economies of scale

Your 572,219 actives, inactive, annuitants was the peer median. Thus the impact of economies of scale was minimized.

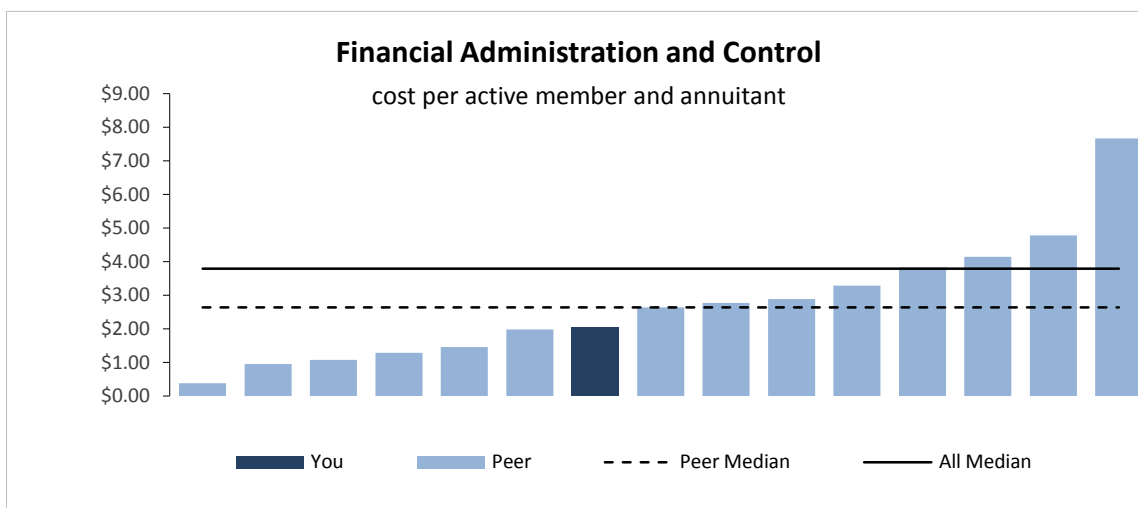


#### 2. Additional data not from employers work per active, inactive and annuitant

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, inactive, annuitants	35.5%	39.3%	decreasing
Status changes as a % of actives, inactive, annuitants:			
• Divorces where ex-partner is set up as an inactive member	0.1%	0.0%	increasing
• Deaths	0.7%	1.2%	decreasing
• Non-death stops of annuities (i.e., dependent turns 21, term certain ends, etc.) [Exclude: re-hired annuitants]	0.1%	0.1%	neutral

## 4A Financial Administration and Control

Your financial administration and control cost per active member and annuitant was \$2.04. This was \$0.60 below the peer median of \$2.64.



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	\$76,313	\$81,373	-\$0.12
Fewer direct FTE per 10,000 active members and annuitants (productivity) <sup>2</sup>	0.23	0.24	-\$0.01
Higher third party costs per active member and annuitant	\$0.64	\$0.44	\$0.20
Unexplained <sup>1</sup>			-\$0.67
<b>Cost per active member and annuitant</b>	<b>\$2.04</b>	<b>\$2.64</b>	<b>-\$0.60</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 4 of this section).

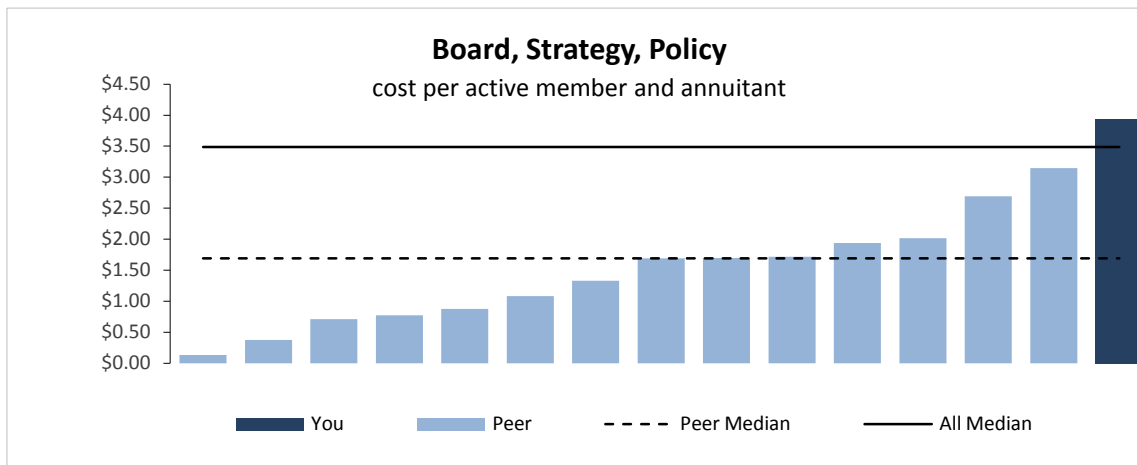
2. You had 9.9 financial administration and control FTE which was 3% less than the peer median of 10.2. The percentage difference was less favorable on a 'per active members and annuitants' basis (your 0.23 financial administration and control FTE per 10,000 active members and annuitants was 0.6% less than the peer median of 0.24).

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 422,404 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 \$3.93. This was \$2.24 above the peer median of \$1.69. The biggest reason why was that you had more direct FTE per 10,000 active members and annuitants (productivity)<sup>2</sup>.



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	\$133,253	\$109,970	\$0.52
More direct FTE per 10,000 active members and annuitants (productivity) <sup>2</sup>	0.22	0.11	\$1.48
Higher third party costs per active member and annuitant	\$1.56	\$0.34	\$1.23
Unexplained <sup>1</sup>			-\$0.99
<b>Cost per active member and annuitant</b>	<b>\$3.93</b>	<b>\$1.69</b>	<b>\$2.24</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 4 of this section).

2. You had 9.5 board, strategy, policy FTE which was 135% more than the peer median of 4.1. The percentage difference was more favorable on a 'per active members and annuitants' basis (your 0.22 board, strategy, policy FTE per 10,000 active members and annuitants was 98% 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 422,404 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 25 oversight meetings last year was equal to the peer median of 25.

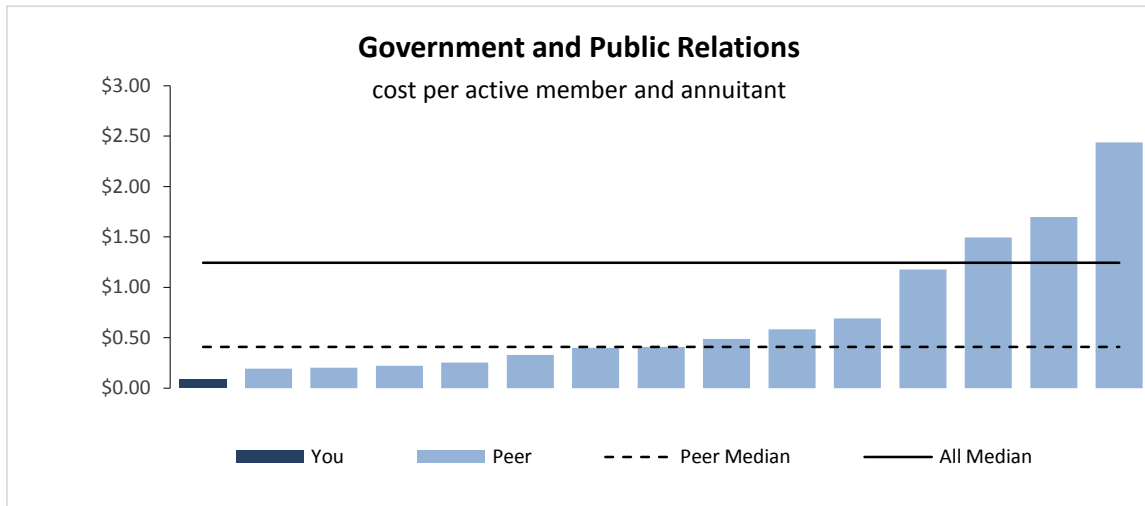
# of meetings last year, including sub-committees	Peer		
	You	Median *	Peer Avg
a) Board of Trustees?	4	26	19.8
b) Non-board legislative oversight committee?	1	6	6.1
c) Advisory committee?	8	8	3.2
d) Members' Council?	n/a	n/a	n/a
e) Other?	12	5	1.3
<b>Total</b>	<b>25</b>	<b>25</b>	<b>30</b>

\* 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 \$0.09. This was \$0.32 below the peer median of \$0.41.



Reasons why your cost was below median	Comparison		Impact <sup>1</sup> \$s per Active Member and Annuitant
	You	Peer Median	
Higher salaries and benefits per direct FTE	\$108,750	\$105,900	\$0.00
Fewer direct FTE per 10,000 active members and annuitants (productivity) <sup>2</sup>	0.01	0.04	-\$0.34
Lower third party costs per active member and annuitant	\$0.00	\$0.09	-\$0.08
Unexplained <sup>1</sup>			\$0.42
Cost per active member and annuitant	\$0.09	\$0.41	\$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 4 of this section).

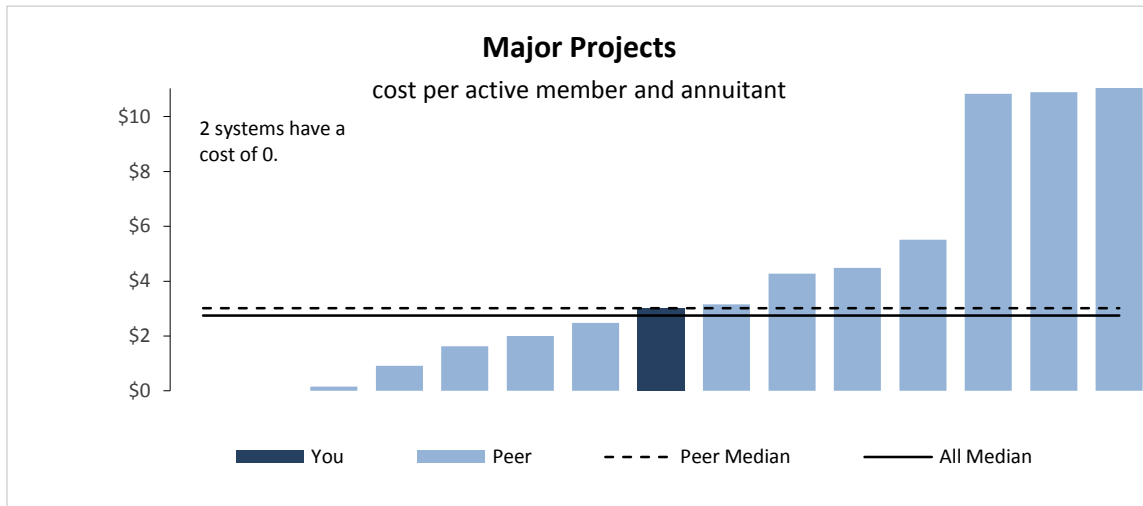
2. You had 0.4 government and public relations FTE which was 76% less than the peer median of 1.7. The percentage difference was more favorable on a 'per active members and annuitants' basis (your 0.01 government and public relations FTE per 10,000 active members and annuitants was 77% less than the peer median of 0.04).

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 422,404 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 \$3.02. 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)'.

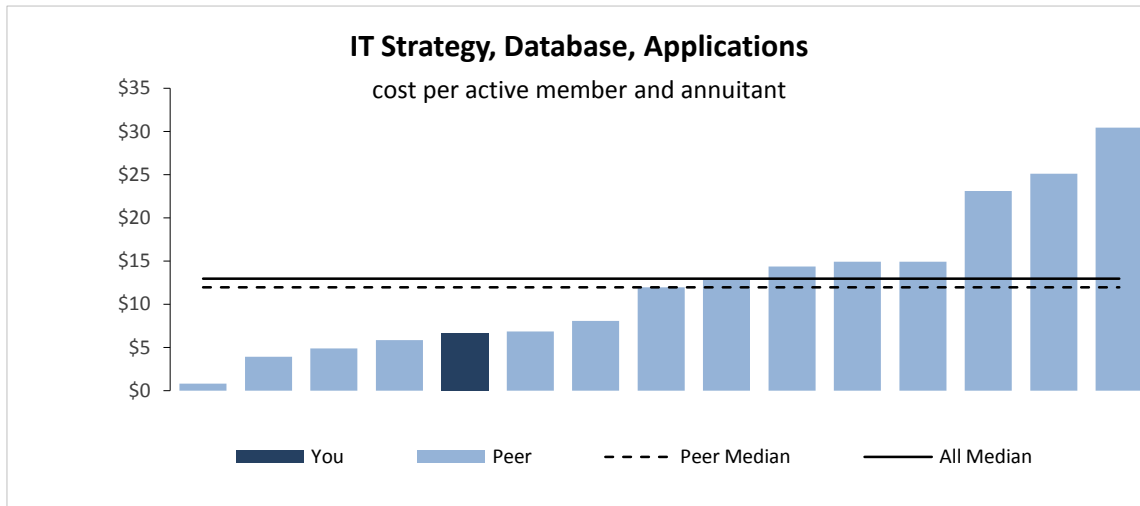


Reasons for differences in the cost for major projects include:

- 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 422,404 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 69.
- 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 cost per active member and annuitant was \$6.70. This was \$5.27 below the peer median of \$11.97.



Reasons why your cost was below median	Comparison		Impact <sup>1</sup> \$s per Active Member and Annuitant
	You	Peer Median	
Equal salaries and benefits per direct FTE	\$100,198	\$100,198	\$0.00
Equal direct FTE per 10,000 active members and annuitants <sup>2</sup>	0.54	0.54	\$0.00
Higher third party costs per active member and annuitant	\$4.93	\$3.57	\$1.36
Unexplained <sup>1</sup>			-\$6.63
<b>Cost per active member and annuitant</b>	<b>\$6.70</b>	<b>\$11.97</b>	<b>-\$5.27</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 4 of this section).

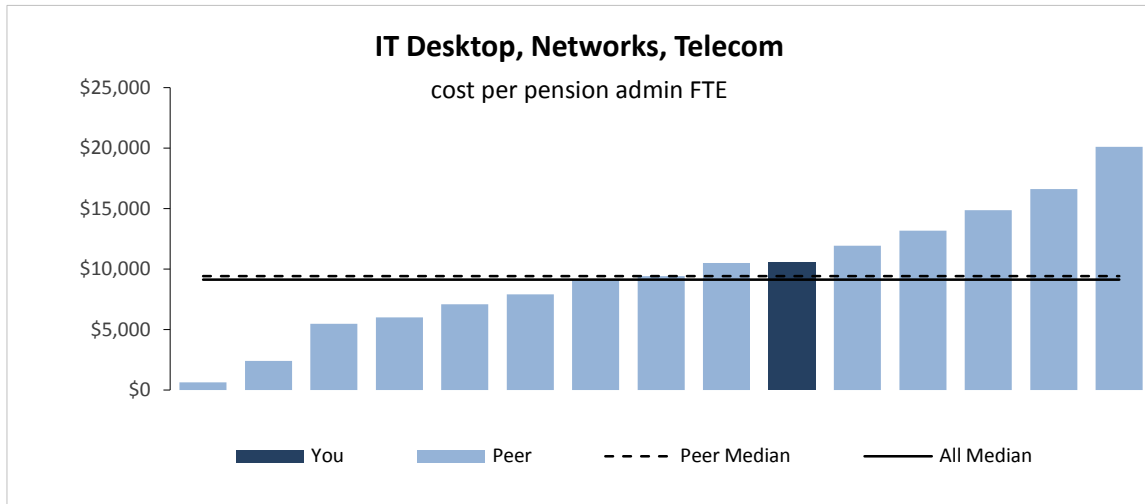
2. You had 22.7 IT strategy, database, applications FTE which was equal to the peer median of 22.7. The percentage difference was less favorable on a 'per active member and annuitant' basis (your 0.54 IT strategy, database, applications FTE per 10,000 active member and annuitant was equal to the peer median of 0.54).

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 because of the substantial fixed costs of maintaining the IT infrastructure necessary for pension systems to operate. Your 422,404 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 costs and
- 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 69.
- IT investment cycle

## 6B IT Desktop, Networks, Telecom

Your it desktop, networks, telecom cost per pension admin FTE was \$10,570.89. This was \$1,131.29 above the peer median of \$9,439.60.



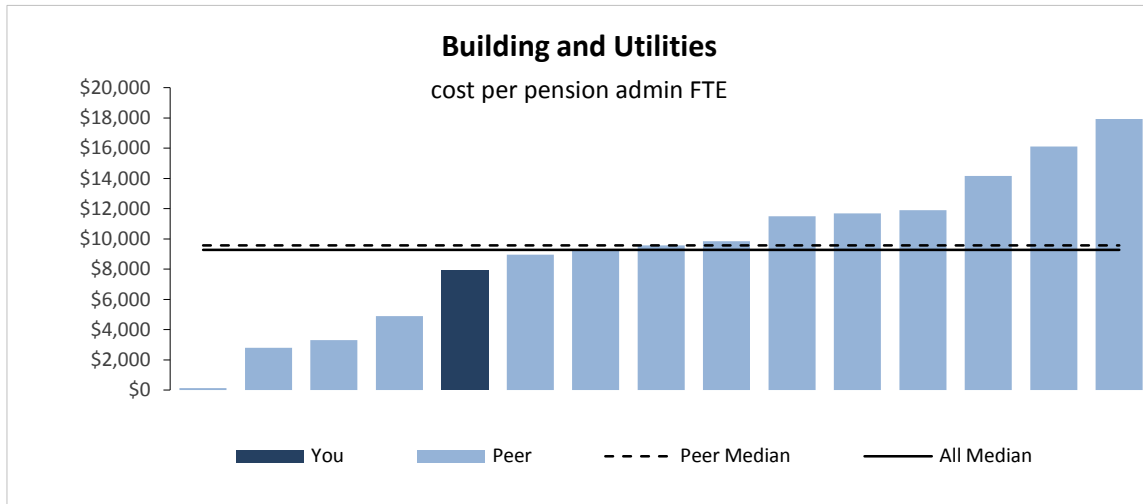
Reasons why your cost was above median	Comparison		Impact <sup>1</sup> \$s per Pension Admin FTE
	You	Peer Median	
Higher salaries and benefits per direct FTE	\$95,361	\$91,486	\$248
More direct FTE per 100 pension admin FTE <sup>2</sup>	6.40	4.25	\$21
Higher third party costs per pension admin FTE	\$5,642	\$5,408	\$234
Unexplained <sup>1</sup>			\$628
<b>Cost per pension admin FTE</b>	<b>\$10,571</b>	<b>\$9,440</b>	<b>\$1,131</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 4 of this section).

2. You had 11.9 IT desktop, networks, telecom FTE which was equal to the peer median of 11.9. The difference changes direction and was less favorable on a 'per pension admin FTE' basis (your 6.40 IT desktop, networks, telecom FTE per 100 pension admin FTE was 51% more than the peer median of 4.25) because you had an economy of scale disadvantage.

## 7A Building and Utilities

Your building and utilities cost per pension admin fte was \$7,921.63. This was \$1,654.66 below the peer median of \$9,576.29. The biggest reason why was that you had lower third party costs per pension admin FTE.



Reasons why your cost was below median	Comparison		Impact <sup>1</sup> \$s per Pension Admin FTE
	You	Peer Median	
Higher salaries and benefits per direct FTE	\$72,200	\$71,900	\$3
More direct FTE per 100 pension admin FTE <sup>2</sup>	1.08	0.53	\$392
Lower third party costs per pension admin FTE	\$8,027	\$9,283	-\$1,256
Unexplained <sup>1</sup>			-\$794
<b>Cost per pension admin FTE</b>	<b>\$7,922</b>	<b>\$9,576</b>	<b>-\$1,654</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 4 of this section).

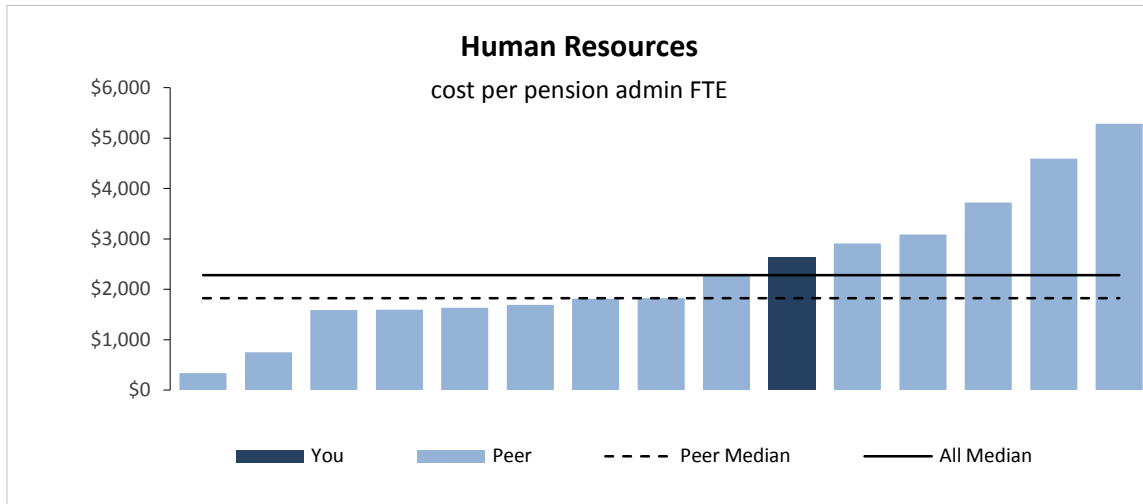
2. You had 2.0 building and utilities FTE which was 100% more than the peer median of 1.0. The percentage difference was less favorable on a 'per pension admin FTE' basis (your 1.08 FTE per 100 pension admin FTE was 102% more than the peer median of 0.53) because you had an economy of scale disadvantage.

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 \$2,630.38. This was \$805.02 above the peer median of \$1,825.36. The biggest reason why was that you had more direct FTE per 100 pension admin FTE<sup>2</sup>.



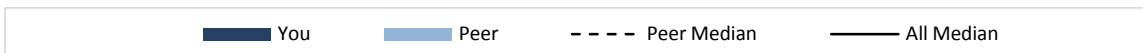
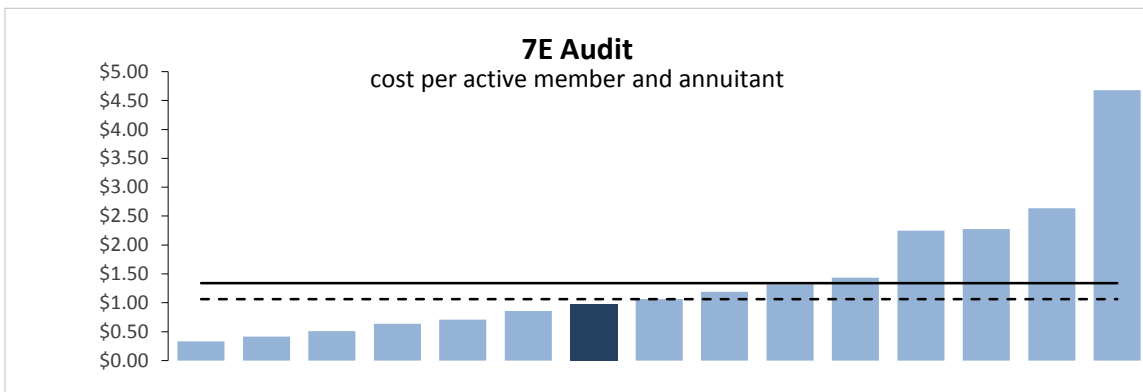
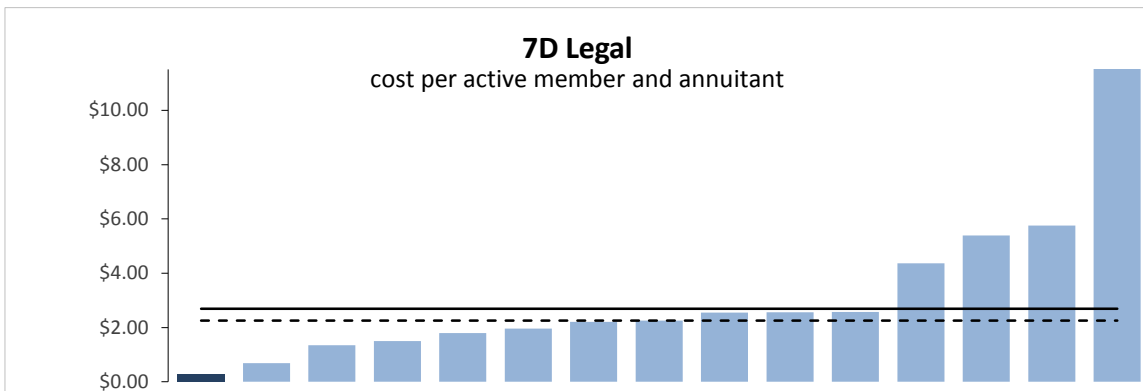
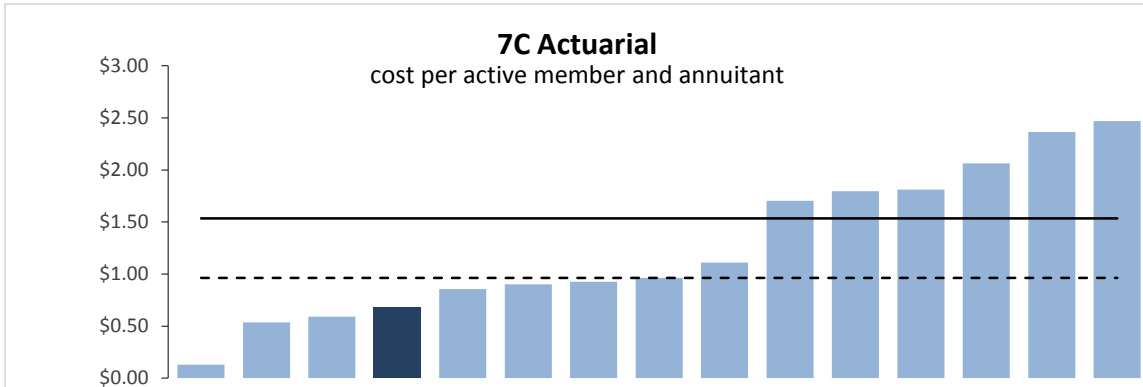
Reasons why your cost was above median	Comparison		Impact <sup>1</sup> \$s per Pension Admin FTE
	You	Peer Median	
Equal salaries and benefits per direct FTE	\$84,696	\$84,696	\$0
More direct FTE per 100 pension admin FTE <sup>2</sup>	3.01	2.37	\$546
Lower third party costs per pension admin FTE	\$371	\$409	-\$38
Unexplained <sup>1</sup>			\$296
<b>Cost per pension admin FTE</b>	<b>\$2,630</b>	<b>\$1,825</b>	<b>\$805</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 4 of this section).
2. You had 5.6 human resources FTE which was 14% more than the peer median of 4.9. The percentage difference was less favorable on a 'per pension admin FTE' basis (your 3.01 FTE per 100 pension admin FTE was 27% more than the peer median of 2.37) because you had an economy of scale disadvantage.

## 7C-E Professional Costs

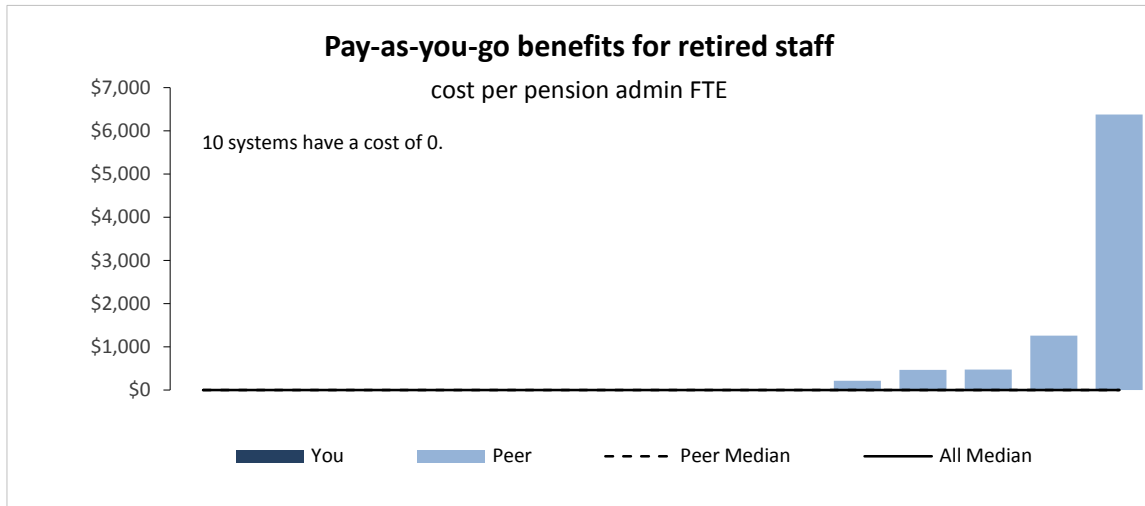
Your cost for activity:

- Your actuarial cost per active member and annuitant was \$0.68. This was \$0.28 below the peer median of \$0.96
- Your legal cost per active member and annuitant was \$0.28. This was \$1.98 below the peer median of \$2.26
- Your audit cost per active member and annuitant was \$0.99. This was \$0.07 below the peer median of \$1.06



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

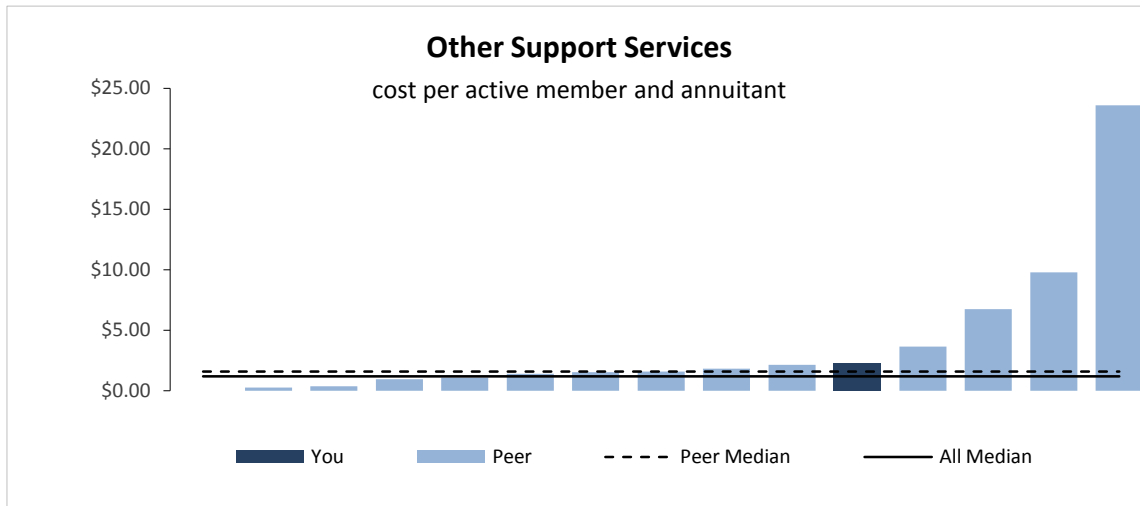
You have no cost for this activity. The peer median cost was \$0.00.





## 7G Other Support Services

Your other support services cost per active member and annuitant was \$2.28. This was \$0.68 above the peer median of \$1.60. The biggest reason why was that you had higher salaries and benefits per direct FTE.



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	\$86,259	\$72,000	\$0.36
More direct FTE per 10,000 active members and annuitants <sup>2</sup>	0.3	0.2	\$0.26
Equal third party costs per active member and annuitant	\$0.33	\$0.33	\$0.00
Unexplained <sup>1</sup>			\$0.05
<b>Cost per active member and annuitant</b>	<b>\$2.28</b>	<b>\$1.60</b>	<b>\$0.68</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 4 of this section).

2. You had 10.8 other support services FTE which was 42% more than the peer median of 7.6. The percentage difference was more favorable on a 'per active member and annuitant' basis (your 0.26 other support services FTE per 10,000 active member and annuitant was 14% more than the peer median of 0.23).

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 422,404 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 69.
- IT investment cycle

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

An alternative way of analyzing and comparing activity costs is after attributing 100% of back office costs (i.e., governance and financial control, major projects, 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	18	20	56	20	17	11	4	15	29	152	33	19	13	3	50
b. Pension Inceptions	new payee inception	264	361	737	438	312	225	97	15	663	3,011	736	409	253	47	50
c. Withdrawals and Transfers-out	withdrawal and transfer-out	269	162	451	250	112	65	50	15	927	11,113	993	277	111	50	48
d. Purchases and Transfers-in	purchase and transfer-in	450	731	5,189	445	342	214	73	15	793	5,189	1,012	454	249	50	48
e. Disability	disability application	782	2,289	9,436	3,130	1,729	607	297	14	4,558	29,092	3,575	2,128	768	297	36
<b>2. Member Communication</b>																
a. Call Center	call and email	15	19	52	19	17	10	7	15	27	206	38	17	10	4	50
b. Mail Room, Imaging	incoming mail	6	14	44	17	9	6	4	15	n/a	n/a	n/a	n/a	n/a	n/a	49
c. 1-on-1 Counseling	member counseled 1-on-1	210	235	411	358	209	140	62	14	260	949	344	208	120	0	45
d. Presentations and Group Counseling	member presentation	1,666	2,812	11,469	2,850	1,990	1,638	469	15	5,397	75,852	4,191	2,444	1,613	0	47
e. Written Pension Estimates	written estimate	57	144	504	185	112	66	2	15	2,126	83,685	469	191	93	2	49
f. Mass Communication	active member and annuitant	2	5	13	7	4	4	1	15	8	33	10	6	4	1	50
<b>3. Collections and Data Maintenance</b>																
a. Data and Money from Employers	active member	4	13	30	15	10	6	2	15	25	193	28	18	10	0	50
b. Service to Employers	active member	3	6	15	7	4	4	3	15	8	39	11	5	3	0	50
c. Data Not from Employers	active, inactive and annuitant	1	2	6	3	2	1	0	15	4	25	5	2	1	0	50
<b>Total Pension Administration</b>	active member and annuitant	51	79	153	99	76	57	23	15	117	311	133	98	69	11	50
<b>Non-Pension</b>																
1f. Healthcare Administration	annuitant	26	13	53	26	5	0	0	15	8	137	2	0	0	0	43
1g. Optional and Third Party Administered Benefits	active member	3	5	20	6	3	0	0	15	3	23	4	0	0	0	43

## 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, Applications	6b + 7a - f Support Services and Other	4. Governance & Financial Control	Cost per \$000s	Cost per unit <sup>3</sup>	Member and Annuitant
<b>1. Member Transactions</b>									
a. Pension Payments	5.1	460	1,199	735	207	142	2,742	18	6.49
b. Pension Inceptions	8.4	616	75	983	340	233	2,247	264	5.32
c. Withdrawals and Transfers-out	6.5	498	0	795	263	181	1,737	269	4.11
d. Purchases and Transfers-in	2.1	172	0	275	85	58	590	450	1.40
e. Disability	11.6	1,032	0	44	470	322	1,868	782	4.42
f. Healthcare Administration	11.7	1,832	15	1,438	474	325	4,084	26	9.67
g. Optional and Third Party Administered Benefits	4.0	432	0	87	162	111	792	3	1.88
<b>2. Member Communication</b>									
a. Call Center	24.2	1,640	0	0	980	672	3,293	15	7.80
b. Mail Room, Imaging	11.1	665	0	0	450	308	1,424	6	3.37
c. 1-on-1 Counseling	12.0	942	0	0	486	333	1,762	210	4.17
d. Presentations and Group Counseling	6.7	525	0	0	271	186	983	1,666	2.33
e. Written Pension Estimates	11.4	850	0	0	462	317	1,629	57	3.86
f. Mass Communication	6.0	576	0	0	243	167	986	2	2.33
<b>3. Collections and Data Maintenance</b>									
a. Data and Money from Employers	7.1	599	0	0	288	197	1,084	4	2.57
b. Service to Employers	5.9	489	0	0	239	164	891	3	2.11
c. Data Not from Employers	3.0	244	0	0	122	83	449	1	1.06
<b>4. Governance and Financial Control</b>									
a. Financial Administration and Control	9.9	1,028	0	0	401	-1,429	0		
b. Board, Strategy, Policy	9.5	1,927	0	0	385	-2,312	0		
c. Government and Public Relations	0.4	45	0	0	16	-61	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)	0.2	49	-49				0		
c. Amortization of IT major projects	n/a	0	0				0		
d. IT major projects (if you don't capitalize)	1.3	1,240	-1,240				0		
<b>6. Information Technology</b>									
a. IT Strategy, Database, Applications	22.7	4,356		-4,356			0		
b. IT Desktop, Networks, Telecom	11.9	2,183			-2,183		0		
<b>7. Support Services and Other</b>									
a. Building and Utilities	2.0	1,636			-1,636		0		
b. Human Resources	5.6	543			-543		0		
c. Actuarial	0.4	317			-317		0		
d. Legal and Rule Interpretation	1.5	131			-131		0		
e. Internal and External Audit	3.2	464			-464		0		
f. Pay-as-you-go benefits for retired staff	n/a	0			0		0		
g. Other Support Services	10.8	1,070			-1,070		0		
<b>Total Administration</b>	216.2	26,561	0	0	0	0	26,561		62.88
less: <sup>2</sup>									
1f. Healthcare Administration							-4,084		-9.67
1g. Optional and Third Party Administered Benefits							-792		-1.88
<b>Total Pension Administration</b>							21,685		51.34

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

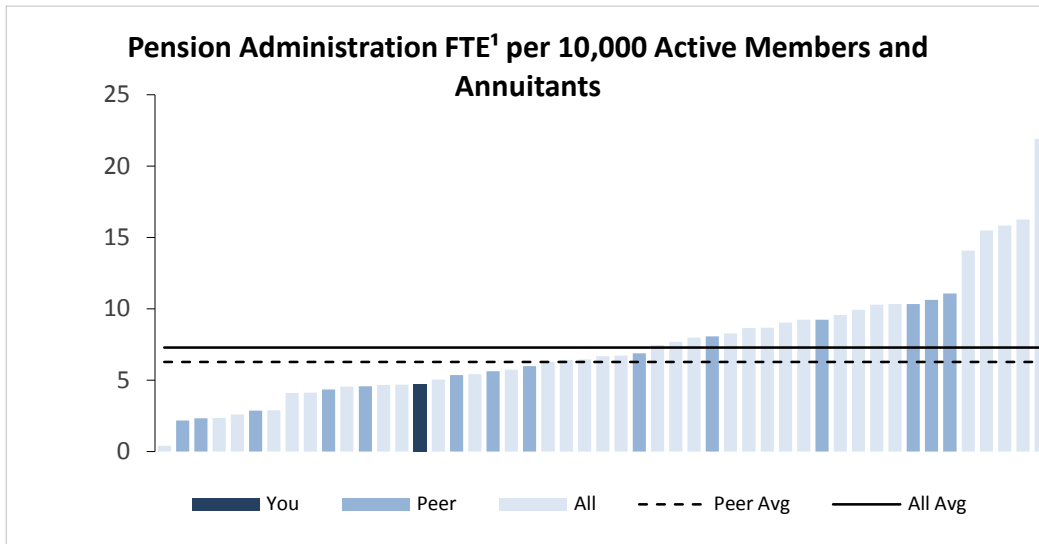
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This section includes comparisons to your peers, in aggregate and by activity, of:

- 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 4.75 pension administration FTE<sup>1</sup> per 10,000 members. This was below the peer average of 6.28.



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

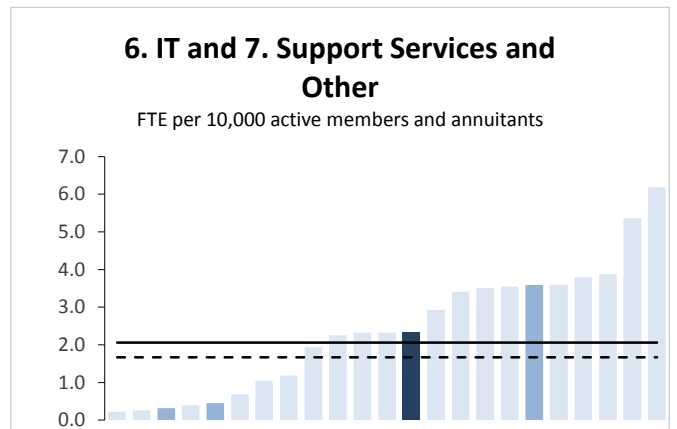
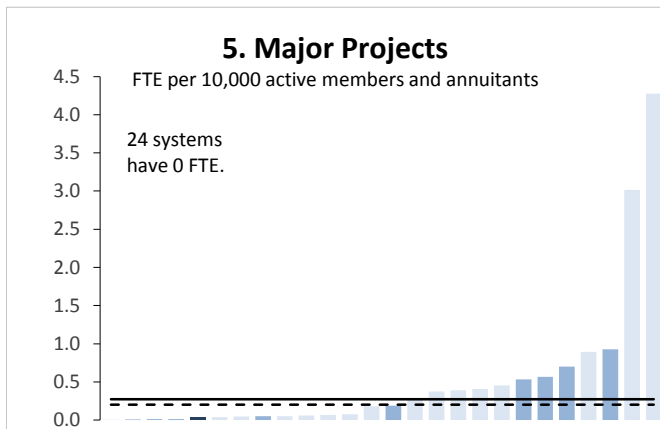
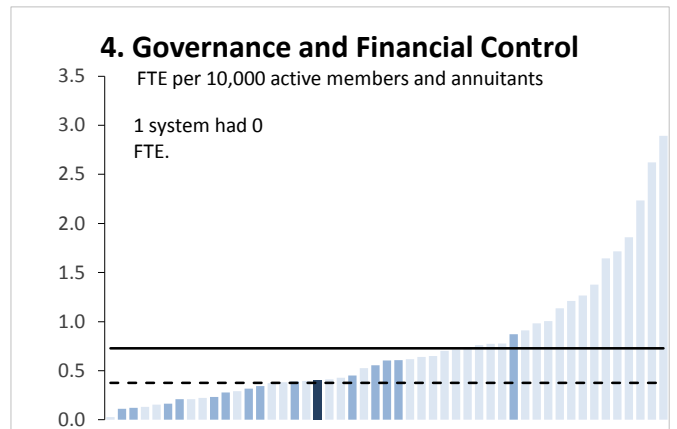
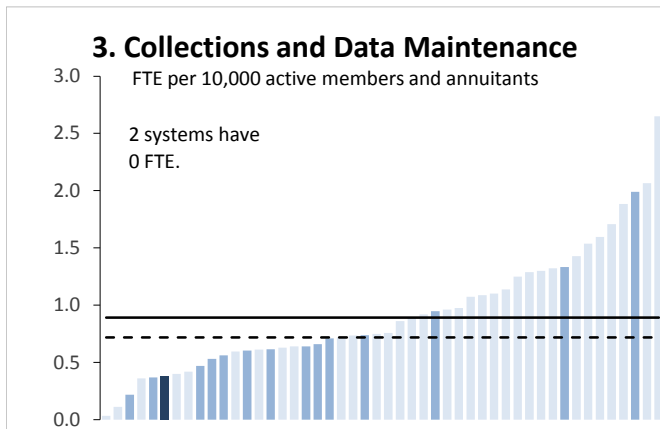
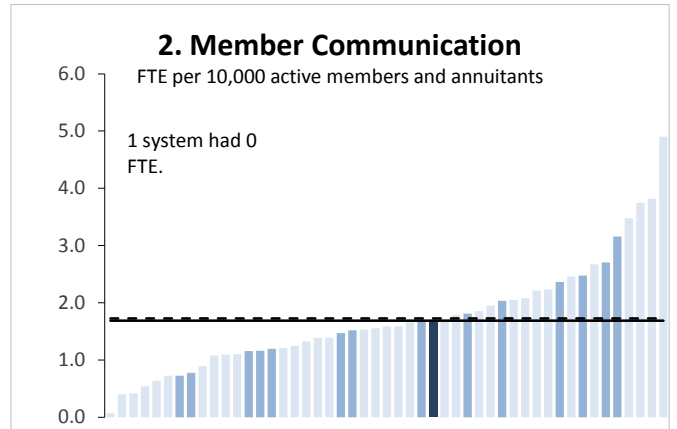
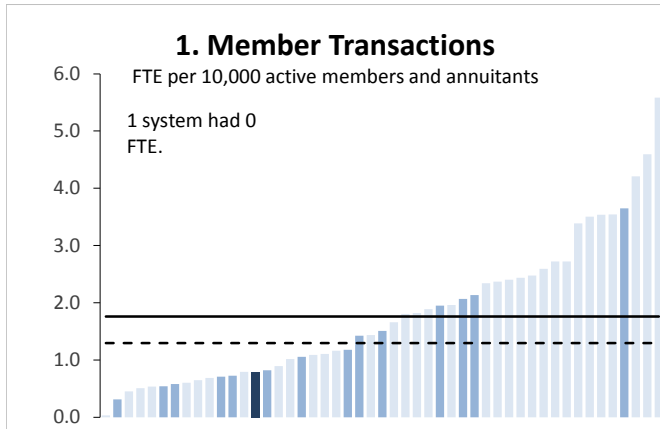
## FTE by activity

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	5.1	11.3	8.0	0.12	0.22	0.28
b. Pension Inceptions	8.4	25.8	21.4	0.20	0.50	0.64
c. Withdrawals and Transfers-out	6.5	9.7	8.0	0.15	0.20	0.29
d. Purchases and Transfers-in	2.1	12.9	11.2	0.05	0.22	0.36
e. Disability	<u>11.6</u>	<u>8.9</u>	<u>5.4</u>	<u>0.27</u>	<u>0.16</u>	<u>0.19</u>
Total Member Transactions	33.7	68.5	54.0	0.80	1.30	1.76
<b>2. Member Communication</b>						
a. Call Center	24.2	35.8	20.7	0.57	0.75	0.64
b. Mail Room, Imaging	11.1	11.7	8.1	0.26	0.27	0.27
c. 1-on-1 Counseling	12.0	12.8	5.8	0.28	0.28	0.18
d. Presentations and Group Counseling	6.7	4.6	2.9	0.16	0.11	0.11
e. Written Pension Estimates	11.4	6.8	7.0	0.27	0.14	0.26
f. Mass Communication	<u>6.0</u>	<u>8.1</u>	<u>6.4</u>	<u>0.14</u>	<u>0.17</u>	<u>0.22</u>
Total Member Communication	71.4	79.8	50.8	1.69	1.73	1.69
<b>3. Collections and Data Maintenance</b>						
a. Data and Money from Employers	7.1	18.8	16.9	0.17	0.38	0.55
b. Service to Employers	5.9	7.8	7.1	0.14	0.18	0.18
c. Data Not from Employers	<u>3.0</u>	<u>7.8</u>	<u>5.8</u>	<u>0.07</u>	<u>0.16</u>	<u>0.17</u>
Total Collections and Data Maintenance	16.0	34.4	29.9	0.38	0.72	0.89
<b>4. Governance and Financial Control</b>						
a. Financial Administration and Control	9.9	11.6	10.3	0.23	0.26	0.43
b. Board, Strategy, Policy	9.5	5.0	5.9	0.22	0.11	0.25
c. Government and Public Relations	<u>0.4</u>	<u>2.3</u>	<u>2.3</u>	<u>0.01</u>	<u>0.05</u>	<u>0.09</u>
Total Governance and Financial Control	19.8	18.8	18.5	0.47	0.43	0.77
<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)	0.2	2.7	1.7	0.00	0.03	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>1.3</u>	<u>9.1</u>	<u>9.4</u>	<u>0.03</u>	<u>0.18</u>	<u>0.23</u>
Total Major Projects	1.5	11.8	11.1	0.04	0.21	0.28
<b>6. Information Technology</b>						
a. IT Strategy, Database, Applications	22.7	30.9	21.4	0.54	0.70	0.62
b. IT Desktop, Networks, Telecom	<u>11.9</u>	<u>12.3</u>	<u>7.9</u>	<u>0.28</u>	<u>0.28</u>	<u>0.30</u>
Total Information Technology	34.6	43.3	29.3	0.82	0.98	0.92
<b>7. Support Services and Other</b>						
a. Building and Utilities	2.0	5.8	3.4	0.05	0.14	0.09
b. Human Resources	5.6	7.7	5.6	0.13	0.16	0.19
c. Actuarial	0.4	1.1	1.0	0.01	0.02	0.03
d. Legal and Rule Interpretation	1.5	9.0	7.0	0.04	0.18	0.27
e. Internal and External Audit	3.2	5.3	3.6	0.08	0.11	0.14
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>10.8</u>	<u>14.0</u>	<u>7.2</u>	<u>0.26</u>	<u>0.30</u>	<u>0.26</u>
Total Support Services and Other	23.5	42.9	27.7	0.56	0.91	0.97
<b>Total Pension Admin FTE (excludes below)</b>	200.5	299.6	221.2	4.75	6.28	7.28
FTE whose salaries are being capitalized	0.0	6.7	4.5	0.00	0.06	0.04
1f. Healthcare Administration	11.7	5.8	2.4	0.28	0.14	0.07
1g. Optional and Third Party Administered Benefits	4.0	5.8	2.7	0.09	0.12	0.08
<b>Total Administration FTE</b>	216.2	317.8	230.8	5.12	6.60	7.46

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.

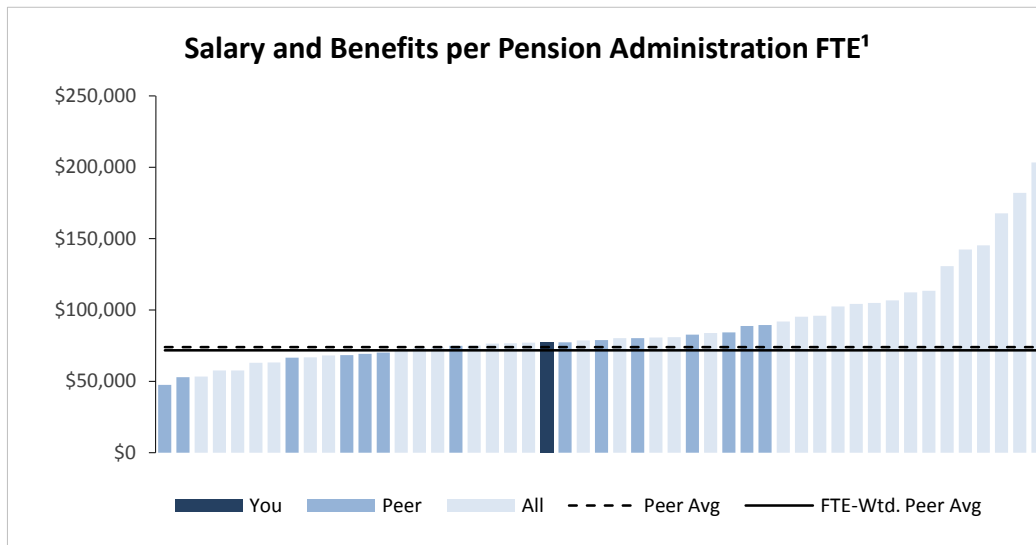
# FTE per 10,000 members by activity aggregates



## Salaries and benefits

Your salaries and benefits per pension administration FTE<sup>1</sup> was \$77,075. This was 4% above the peer average of \$73,882.

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 \$77,075 was above the FTE-weighted peer average of \$71,692.



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.



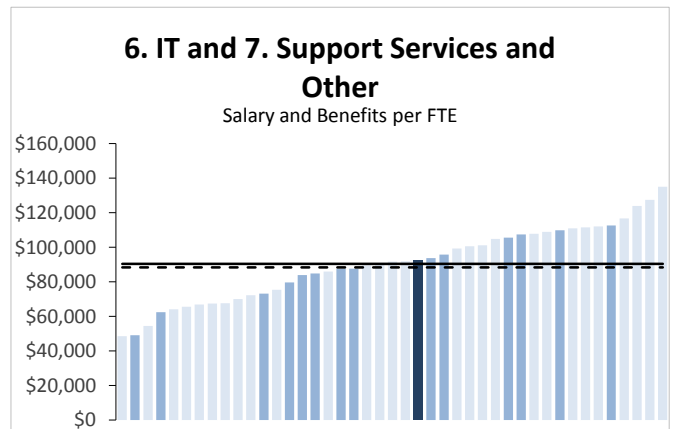
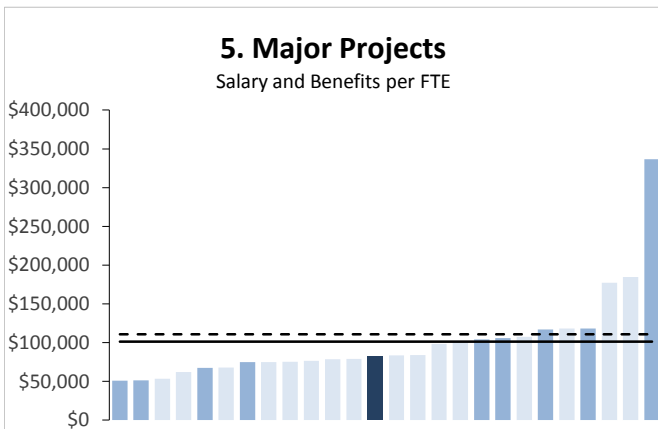
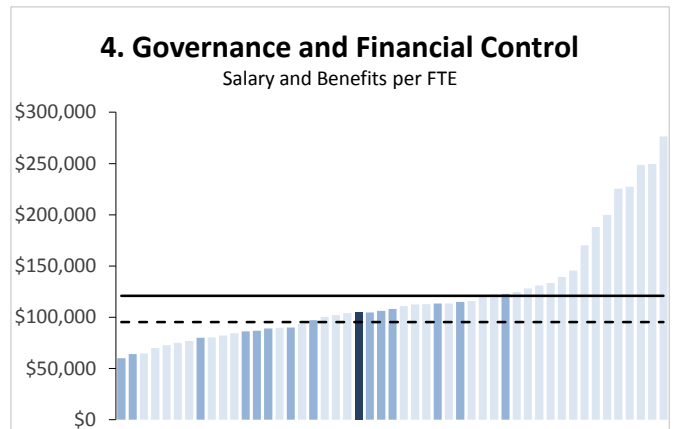
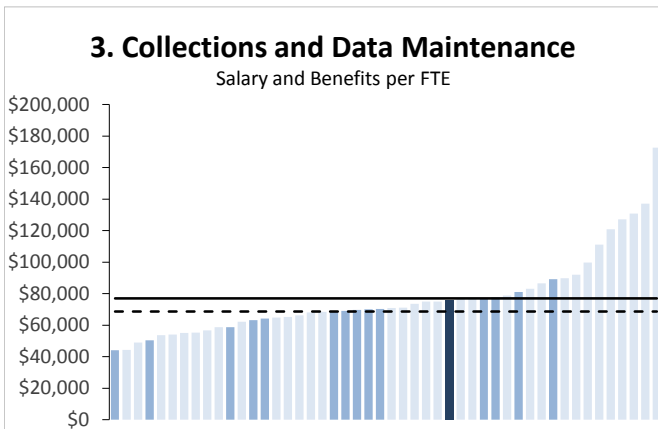
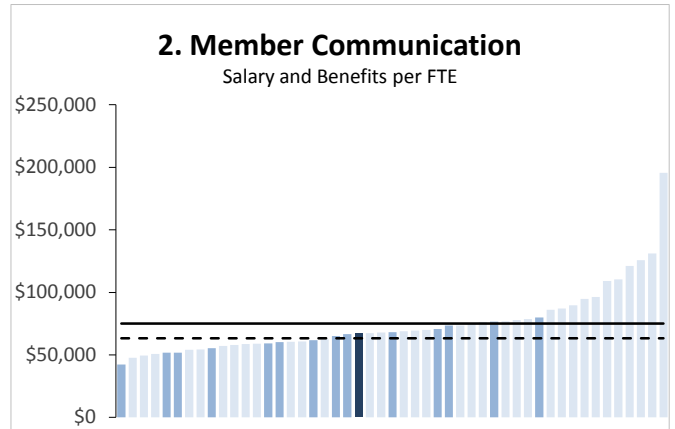
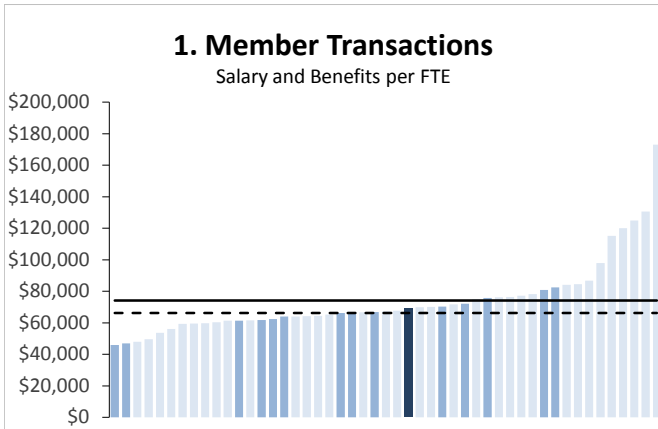
## Salaries and benefits per FTE by activity

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	\$64,588	\$68,437	\$79,909	72%	50%	58%
b. Pension Inceptions	\$64,214	\$65,948	\$71,684	88%	88%	86%
c. Withdrawals and Transfers-out	\$65,323	\$63,027	\$74,296	85%	80%	85%
d. Purchases and Transfers-in	\$72,333	\$68,883	\$74,983	88%	90%	89%
e. Disability	<u>\$76,009</u>	<u>\$71,412</u>	<u>\$72,110</u>	85%	56%	70%
	\$69,050	\$66,162	\$74,139			
<b>2. Member Communication</b>						
a. Call Center	\$62,901	\$61,602	\$69,968	93%	88%	86%
b. Mail Room, Imaging	\$50,261	\$51,782	\$70,715	84%	60%	58%
c. 1-on-1 Counseling	\$74,342	\$69,268	\$81,496	95%	85%	83%
d. Presentations and Group Counseling	\$74,388	\$74,688	\$84,489	95%	75%	81%
e. Written Pension Estimates	\$71,658	\$62,097	\$76,013	96%	89%	88%
f. Mass Communication	<u>\$85,250</u>	<u>\$75,589</u>	<u>\$90,193</u>	89%	49%	47%
	\$67,213	\$63,352	\$74,933			
<b>3. Collections and Data Maintenance</b>						
a. Data and Money from Employers	\$75,718	\$68,066	\$75,137	90%	88%	84%
b. Service to Employers	\$77,712	\$73,556	\$85,173	94%	87%	84%
c. Data Not from Employers	<u>\$70,833</u>	<u>\$61,654</u>	<u>\$74,817</u>	87%	83%	80%
	\$75,538	\$68,610	\$77,097			
<b>4. Governance and Financial Control</b>						
a. Financial Administration and Control	\$76,313	\$84,509	\$100,934	74%	74%	75%
b. Board, Strategy, Policy	\$133,253	\$117,321	\$158,129	66%	70%	64%
c. Government and Public Relations	<u>\$108,750</u>	<u>\$101,745</u>	<u>\$132,331</u>	98%	73%	64%
	\$104,645	\$95,269	\$120,866			
<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)	\$121,000	\$97,939	\$85,951	50%	28%	47%
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>\$76,692</u>	<u>\$110,783</u>	<u>\$105,598</u>	8%	46%	37%
	\$82,600	\$110,910	\$101,229			
<b>6. Information Technology</b>						
a. IT Strategy, Database, Applications	\$100,198	\$110,179	\$125,505	52%	60%	55%
b. IT Desktop, Networks, Telecom	<u>\$95,361</u>	<u>\$86,099</u>	<u>\$92,774</u>	52%	42%	44%
	\$98,164	\$102,313	\$98,736			
<b>7. Support Services and Other</b>						
a. Building and Utilities	\$72,200	\$73,342	\$84,302	9%	13%	17%
b. Human Resources	\$84,696	\$88,386	\$101,123	87%	75%	74%
c. Actuarial	\$83,250	\$120,652	\$135,196	10%	21%	26%
d. Legal and Rule Interpretation	\$85,000	\$100,375	\$125,220	97%	57%	62%
e. Internal and External Audit	\$105,938	\$94,685	\$115,096	73%	59%	54%
f. Pay-as-you-go benefits for retired staff	n/a	n/a	n/a	n/a	100%	100%
g. Other Support Services	<u>\$86,259</u>	<u>\$69,936</u>	<u>\$83,448</u>	87%	58%	55%
	\$87,238	\$85,509	\$96,377			
Total Pension Administration <sup>1</sup>	\$78,370	\$75,364	\$91,399	67%	57%	56%
Total Pension Admin excluding activities 6b, 7a, 7b, and 7f <sup>2</sup>	\$77,075	\$73,882	\$89,073	73%	61%	60%

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

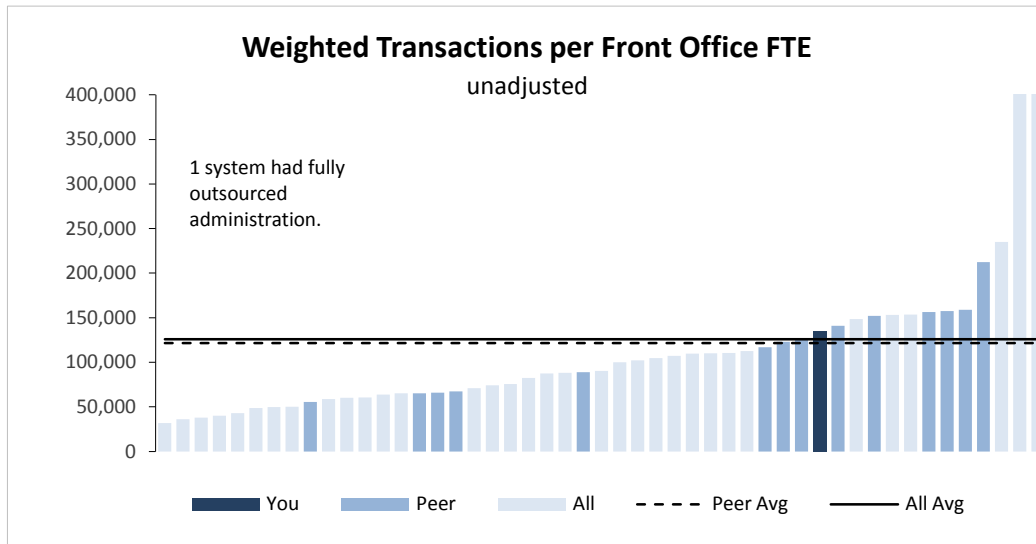
2. Section 3 'Total Costs' uses the FTE-weighted peer average of \$71,692 to explain cost differences. It is used to explain cost differences because salary differences matter more for peers with more FTEs. To avoid double counting items quantified separately in the cost model, the FTE-weighted average 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 \$134,766 per front-office FTE. This was above the in-house peer average of \$121,381.



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 inception 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:

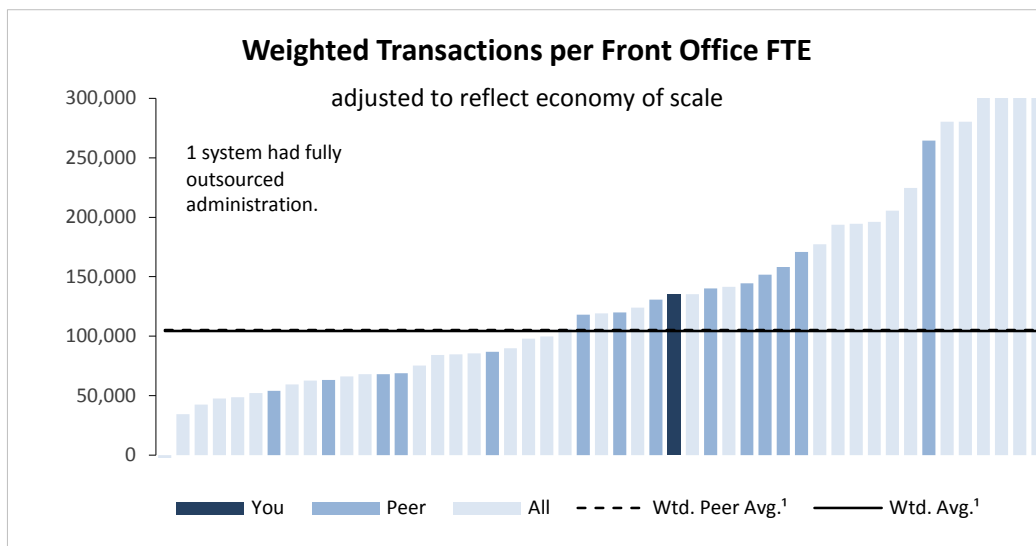
- Economies of scale (see next page)
- Staff skills and staff productivity
- IT capability / online transactions
- Service levels, for example, shorter wait times may require more staff
- Complexity of plan rules
- Using more consultants and third parties to do part of the work
- Projects
- Organization 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 28% above 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	30,544	29,145	27,628
b. Pension Inceptions	New Payee Inceptions	1,015	818	975
c. Withdrawals and Transfers-out	Withdrawals and Transfers-out	995	2,317	1,342
d. Purchases and Transfers-in	Purchases and Transfers-in	624	884	1,033
e. Disability	Disability Applications	206	375	290
<b>2. Member Communication</b>				
a. Call Center	Calls and Emails	9,106	11,533	13,380
b. Mail Room, Imaging	Incoming Mail	20,180	28,848	26,557
c. 1-on-1 Counseling	Members Counseled 1-on-1	700	997	1,374
d. Presentations and Group Counseling	Member Presentations	88	140	136
e. Written Pension Estimates	Written Estimates	2,524	7,465	4,050
f. Mass Communication	Active Members and Annuitants	70,401	74,353	93,838
<b>3. Collections and Data Maintenance</b>				
a. Data and Money from Employers	Active Members	37,553	26,853	28,468
b. Service to Employers	Active Members	45,191	43,851	65,291
c. Data Not from Employers	Actives, Inactives, Annuitants	190,740	114,487	410,021
Weighted Transactions per Front Office FTE		134,766	121,381	125,950
adjusted for Economies of Scale <sup>1, 2</sup>		134,766	105,188	104,334

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.

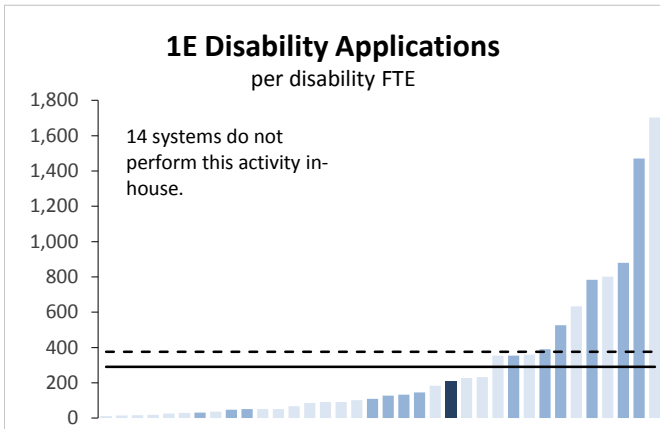
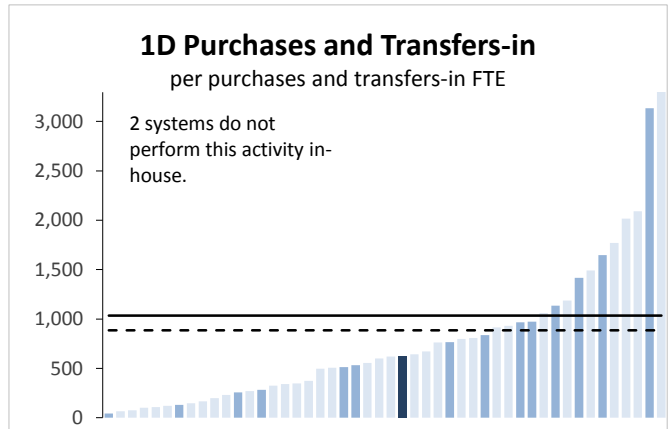
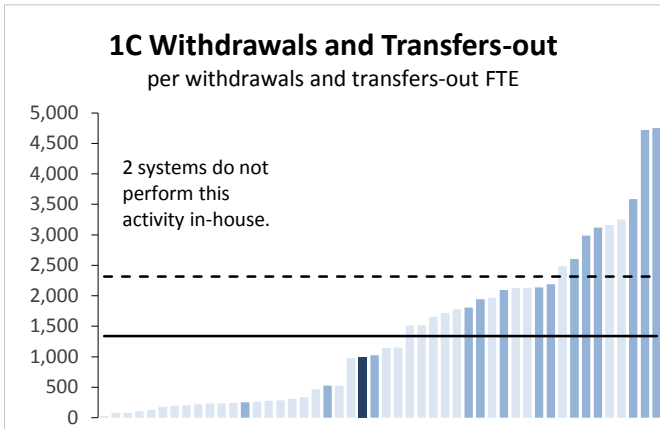
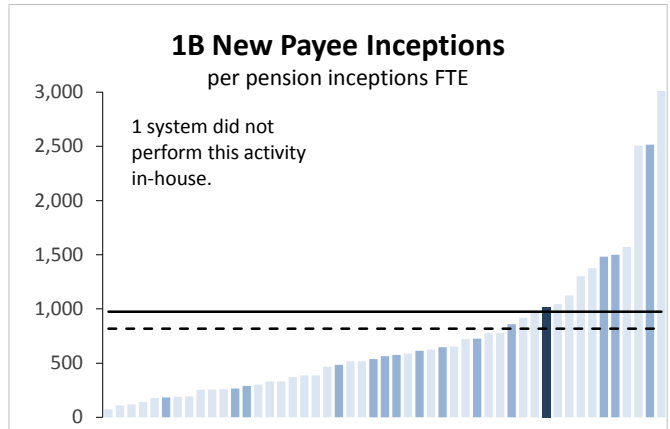
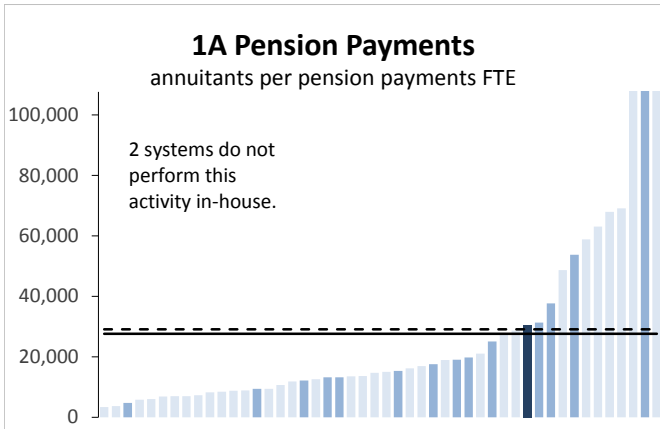
2. The peer and all averages, for this value only, are weighted by workloads (i.e., weighted transactions per member) because differences in productivity matter more for peers with higher workloads when explaining cost differences.

Differences in productivity are caused by differences in:

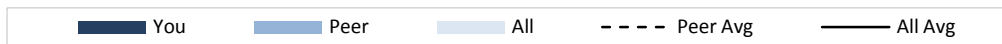
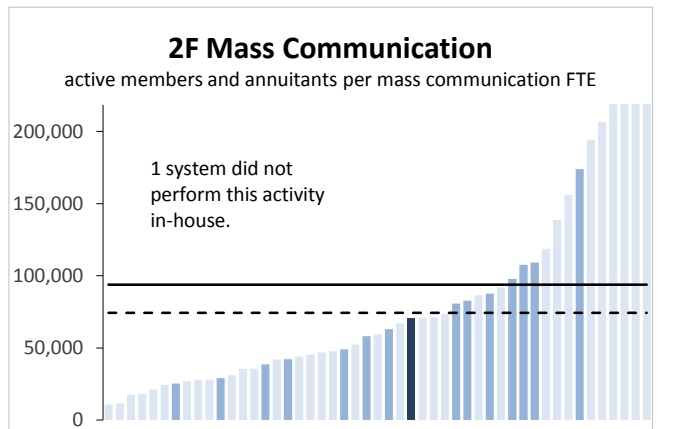
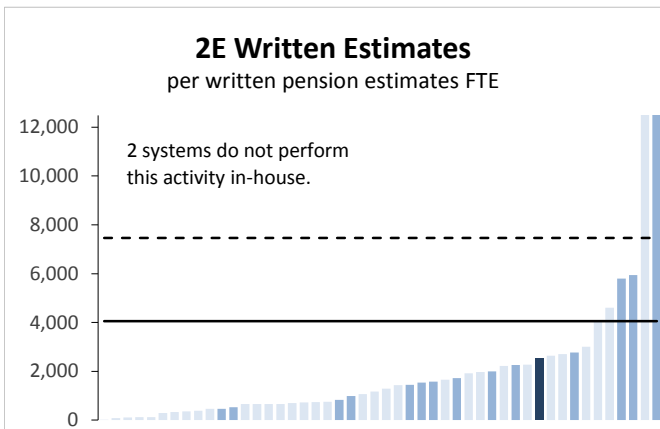
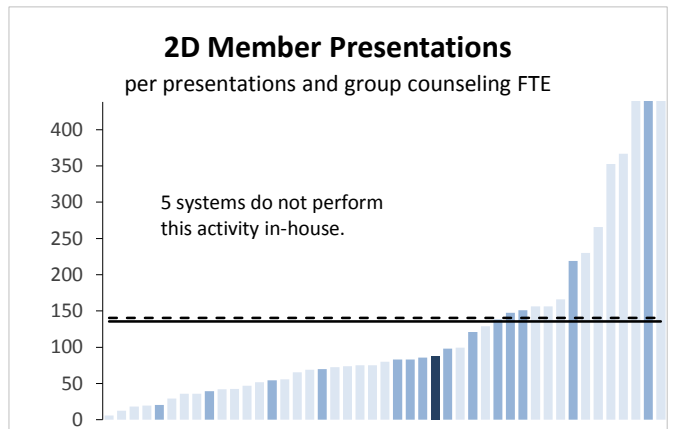
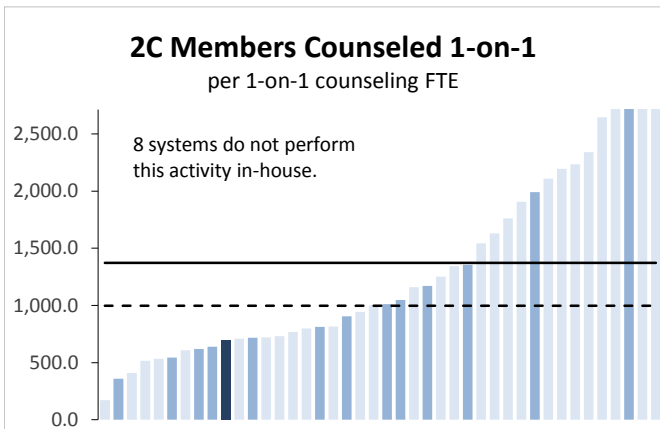
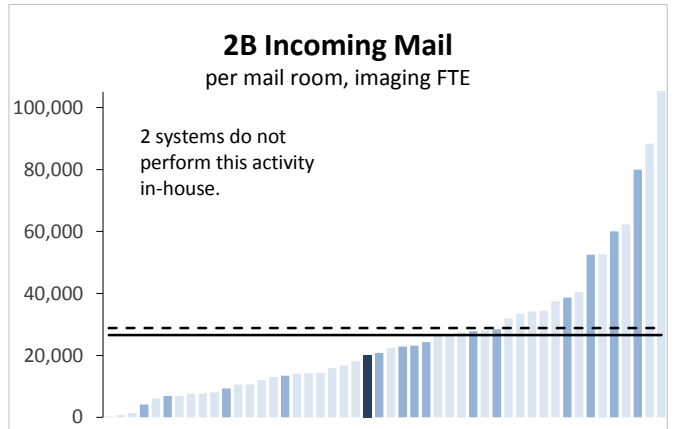
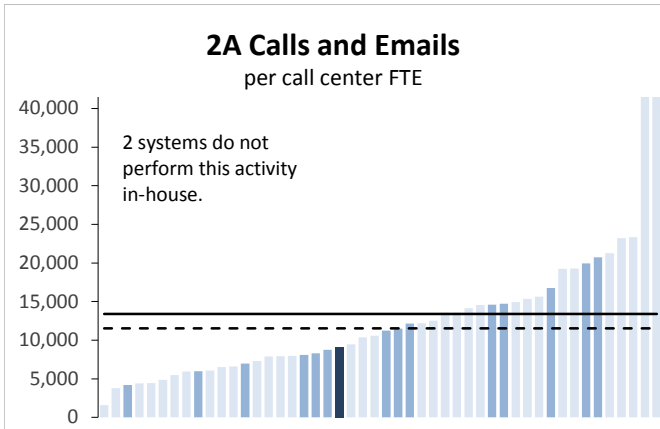
- Economies of scale (see next page)
- Staff skills and staff productivity
- IT capability / online transactions
- Service levels, for example, shorter wait times may require more staff
- Complexity of plan rules
- Using more consultants and third parties to do part of the work
- Projects
- Organization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

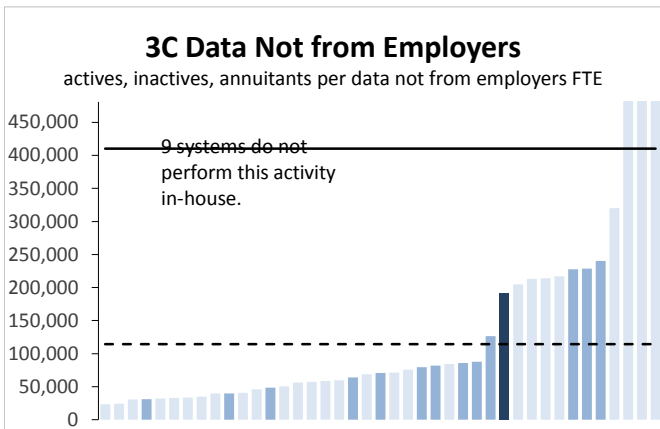
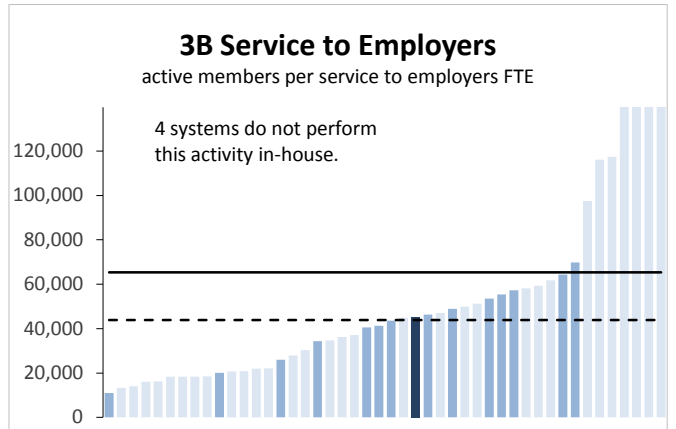
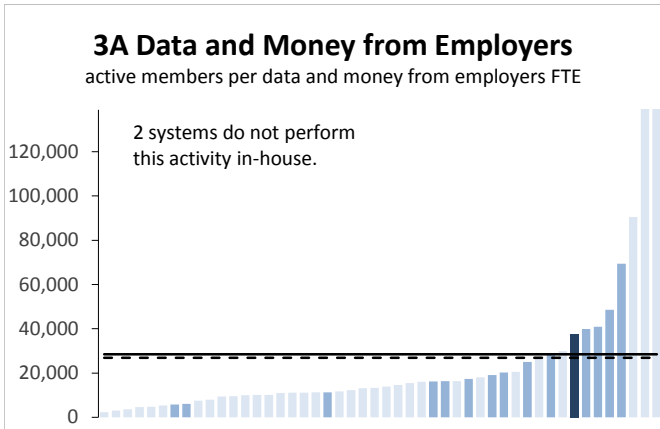
# Productivity by activity - member transactions



# Productivity by activity - member communication



# Productivity by activity - collections and data maintenance





# Transaction Volumes

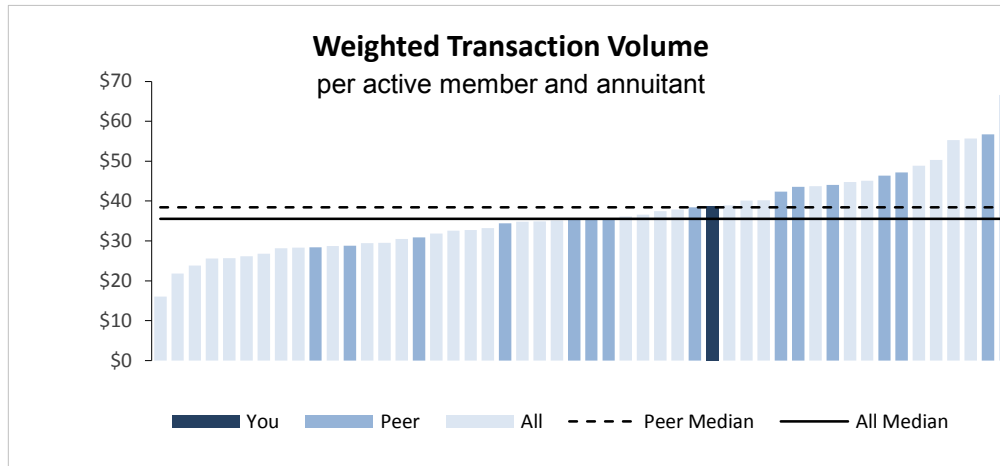
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This section contains:

- 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 \$38.64 per active member and annuitant. This was above the peer median of \$38.46.



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 (services provided)
- 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 \$0.36 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)	155,775	\$9.77	1,521,905
b. New Payee Inceptions	8,527	\$163.71	1,395,958
c. Withdrawals and Transfers-out	6,470	\$77.94	504,268
d. Purchases and Transfers-in	1,311	\$151.14	198,143
e. Disability Applications	2,388	\$1,058.51	2,527,732
<b>2. Member Communication</b>			
a. Calls and Emails	220,373	\$7.37	1,623,667
b. Incoming Mail	224,000	\$4.70	1,053,696
c. Members Counseled 1-on-1	8,401	\$83.04	697,645
d. Member Presentations	590	\$1,150.11	678,562
e. Written Estimates	28,768	\$73.11	2,103,150
f. Mass Communication (Active Members and Annuitants)	422,404	\$3.42	1,444,746
<b>3. Collections and Data Maintenance</b>			
a. Data and Money from Employers (Active Members)	266,629	\$5.76	1,535,633
b. Service to Employers (Active Members)	266,629	\$2.14	569,943
c. Data Not from Employers (Actives, Inactives, Annuitants)	572,219	\$0.81	465,160
<b>Total</b>			<b>16,320,208</b>
<b>Total per active member and annuitant</b>			<b>\$38.64</b>

## Methodology notes

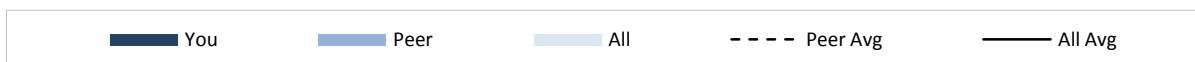
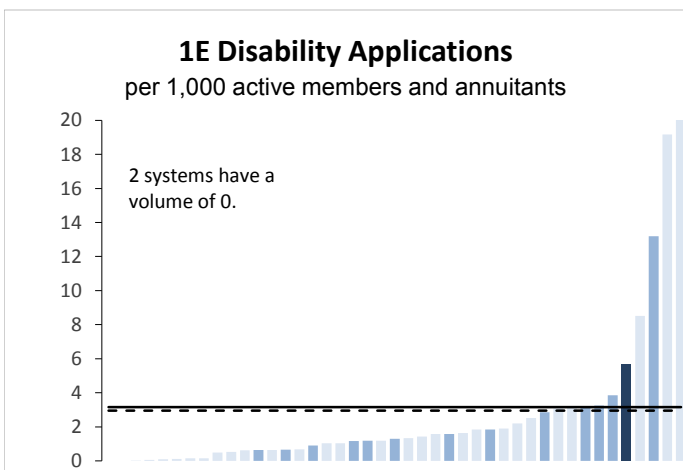
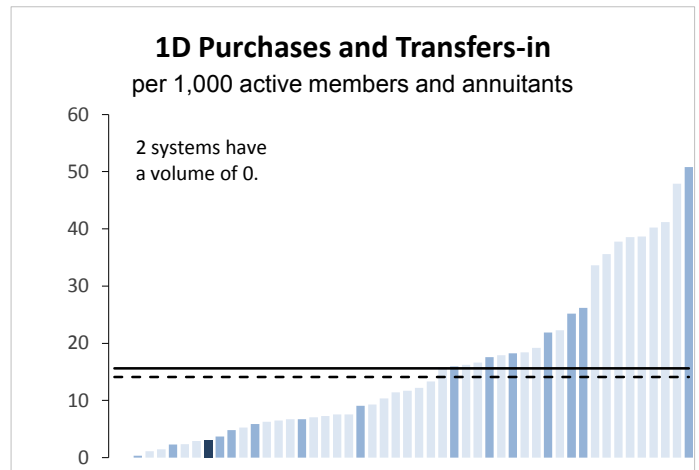
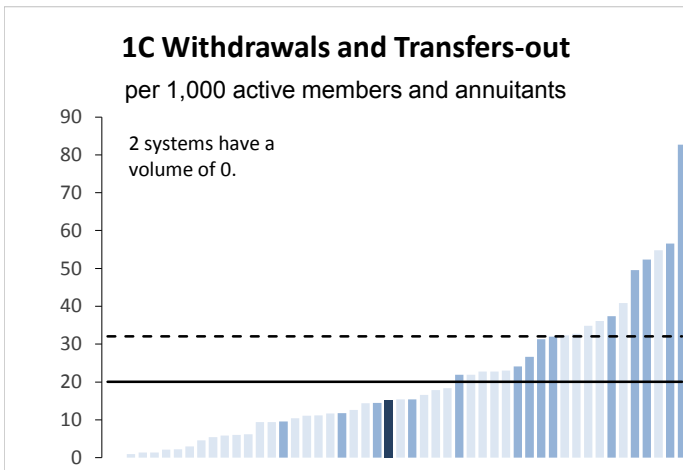
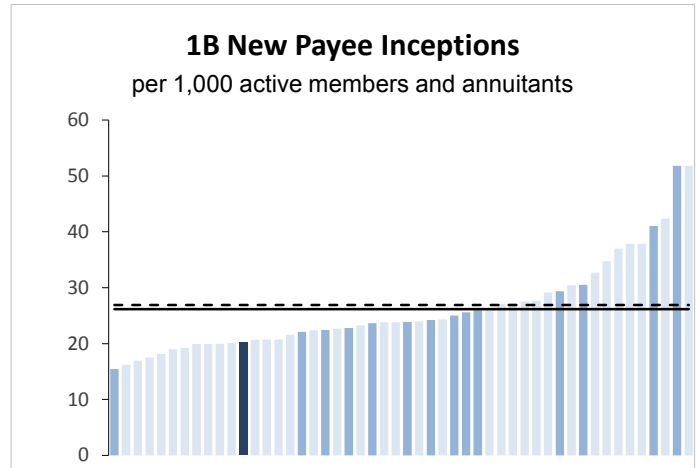
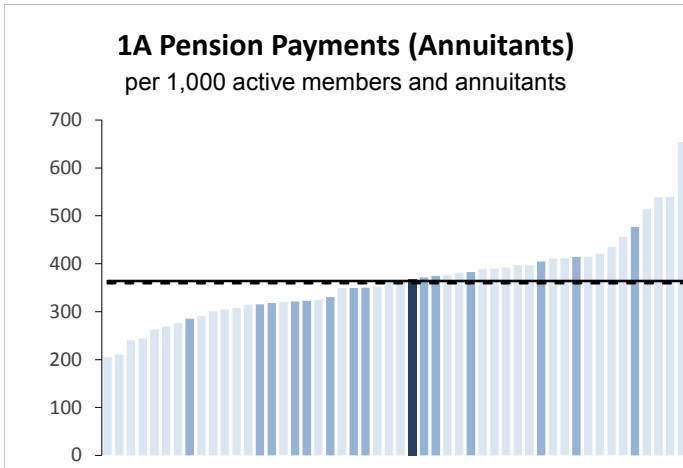
- **Weights** - The weights used for all activities are the all median cost per transaction. This enables us to normalize for the substantial differences in time and effort expended on each type of task. For example, a 1-on-1 counseling session is more costly and time consuming than answering a telephone call. This difference is reflected in the weights where the cost per 1-on-1 counseling session of \$83.04 is approximately 11 times higher than the cost per call of \$7.37.
- **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 they process.
- **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 derived and/or 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

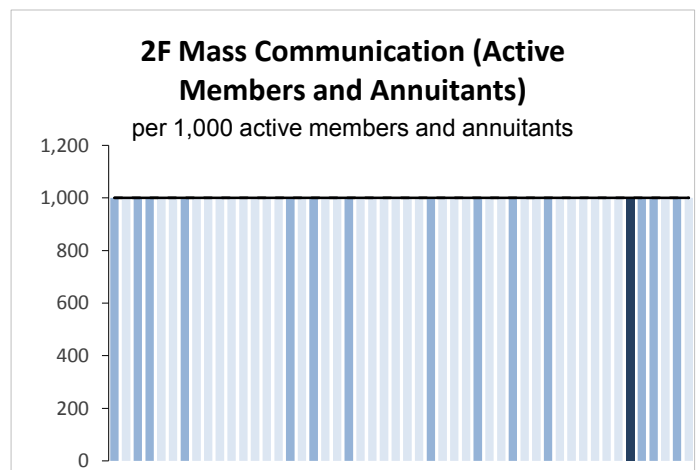
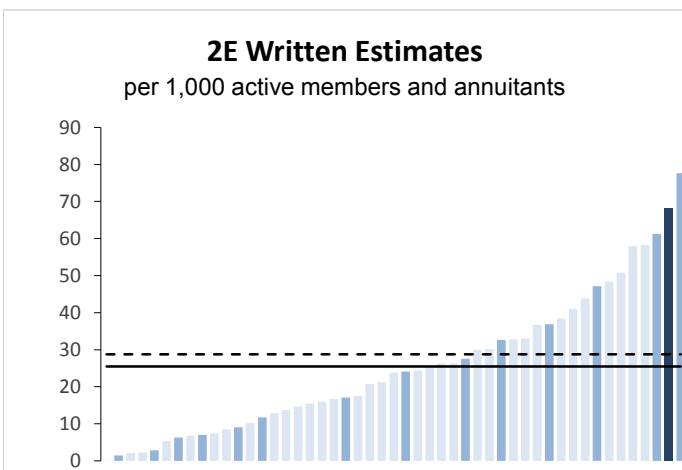
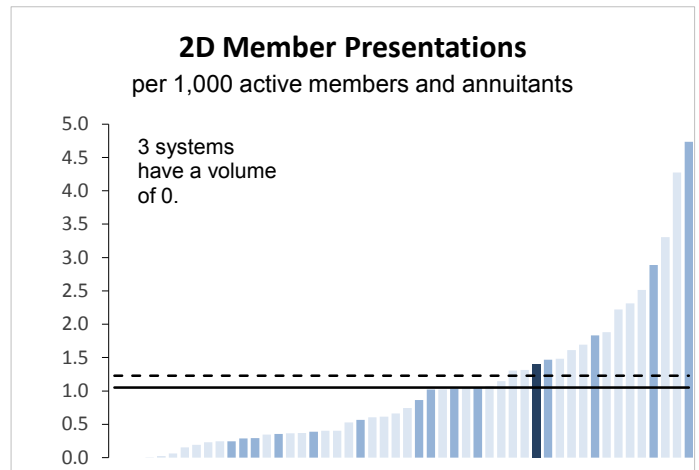
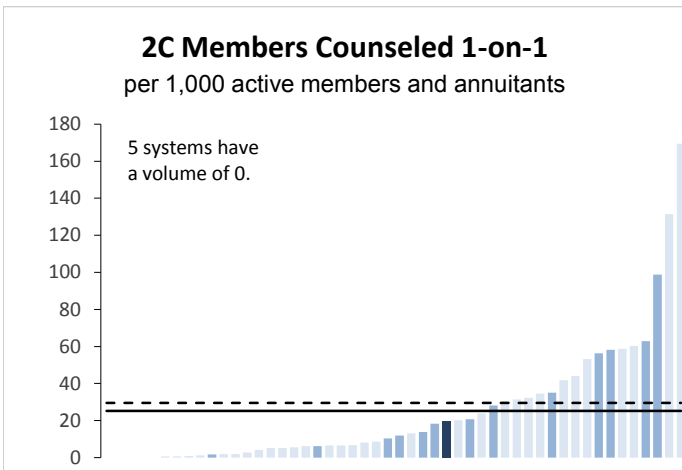
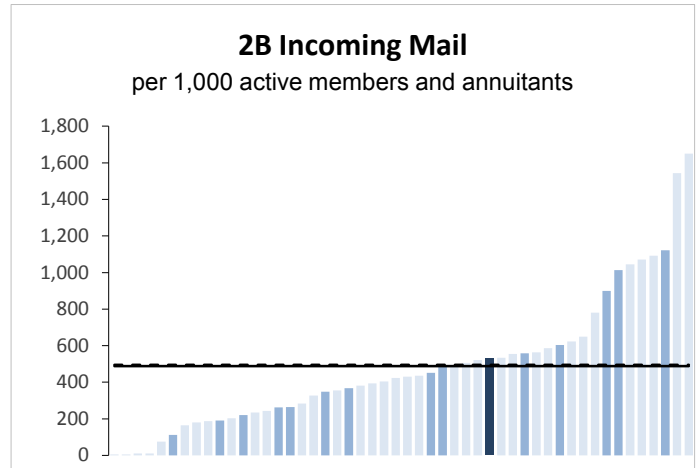
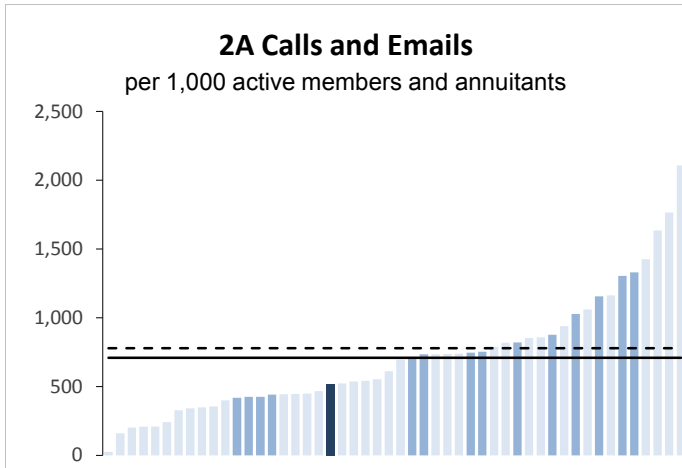
The table below shows whether you are doing more or fewer transactions per member than your peers by front-office activity. All volumes in the table are compared 'per 1,000 active members and annuitants' even if all member types do not always cause the volume. This is because active members and annuitants is the divisor when comparing total cost per member. Therefore, if you want 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)	155,775	369	359	364
b. New Payee Inceptions	8,527	20	27	26
c. Withdrawals and Transfers-out	6,470	15	32	20
d. Purchases and Transfers-in	1,311	3	14	16
e. Disability Applications	2,388	6	3	3
<b>2. Member Communication</b>				
a. Calls and Emails	220,373	522	780	709
b. Incoming Mail	224,000	530	495	488
c. Members Counseled 1-on-1	8,401	20	29	25
d. Member Presentations	590	1	1	1
e. Written Estimates	28,768	68	29	26
f. Mass Communication (Active Members and Annuitants)	422,404	1,000	1,000	1,000
<b>3. Collections and Data Maintenance</b>				
a. Data and Money from Employers (Active Members)	266,629	631	641	639
b. Service to Employers (Active Members)	266,629	631	641	639
c. Data Not from Employers (Actives, Inactives, Annuitants)	572,219	1,355	1,400	1,291
<b>Cost Weighted Total</b>		<b>\$38,636</b>	<b>\$39,115</b>	<b>\$36,803</b>

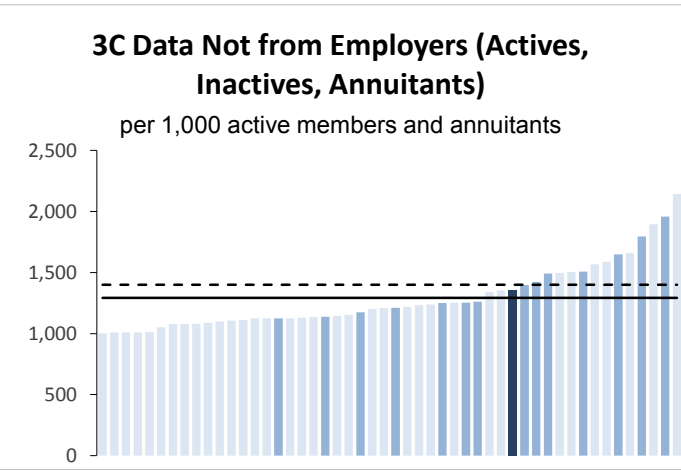
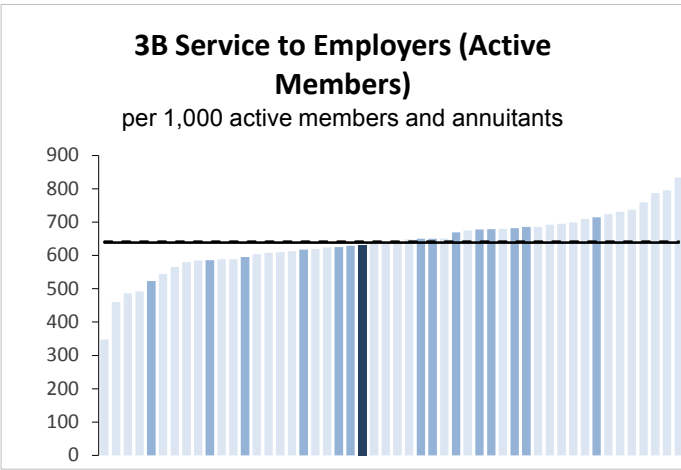
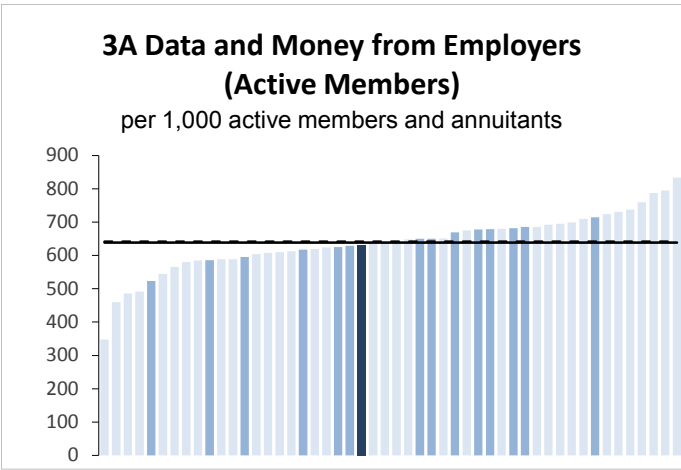
# Member transactions per 1,000 members: Graphical comparisons



# 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	73% Yes	54% Yes	564	311	282
In secure area not linked to member data	No	20% Yes	12% Yes	n/a	15	58
In secure area linked to member's salary and service data	No	73% Yes	80% Yes	n/a	364	318
Service credit purchase calculator	Yes	80% Yes	67% Yes	249	46	49
Download forms	Yes	100% Yes	98% Yes	1,184	345	313
Register for counseling sessions or presentations	No	73% Yes	57% Yes	n/a	10	14
Change address	No	73% Yes	60% Yes	n/a	12	24
Change beneficiary	No	47% Yes	40% Yes	n/a	21	21
Change family information	No	33% Yes	24% Yes	n/a	72	48
Tools for annuitants						
Change banking information for direct deposit	No	27% Yes	26% Yes	n/a	6	6
Change tax withholding amount	No	47% Yes	35% Yes	n/a	10	6
Download or print duplicate tax receipts	No	73% Yes	53% Yes	n/a	19	19
View annuity payment details	No	87% Yes	60% Yes	n/a	117	116
Apply for retirement	No	33% Yes	27% Yes	n/a	3	7
View status of disability application	No	7% Yes	2% Yes	n/a	0	0
Secure mailbox	No	47% Yes	28% Yes	n/a	32	38
Download member statement	No	67% Yes	62% Yes	n/a	218	114
View pensionable earnings and/or service without downloading	No	87% Yes	84% Yes	n/a	590	648
If yes:						
Are both salary and service data available?	n/a	100% Yes	95% Yes			
Is online data up-to-date to the most recent pay period?	n/a	69% Yes	67% Yes			
Is a complete annual history from the beginning of employment provided?	n/a	69% Yes	52% Yes			
If you administer a core DC or hybrid DB/ DC plan:						
Switch between investment options	No	71% Yes	58% Yes	n/a	27	23
Change deferral percentage selections for regular contributions	No	43% Yes	33% Yes	n/a	3	4
Initiate withdrawals	No	29% Yes	25% Yes	n/a	18	7
View current valuation of their account	No	86% Yes	67% Yes	n/a	326	710

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

# Service Levels

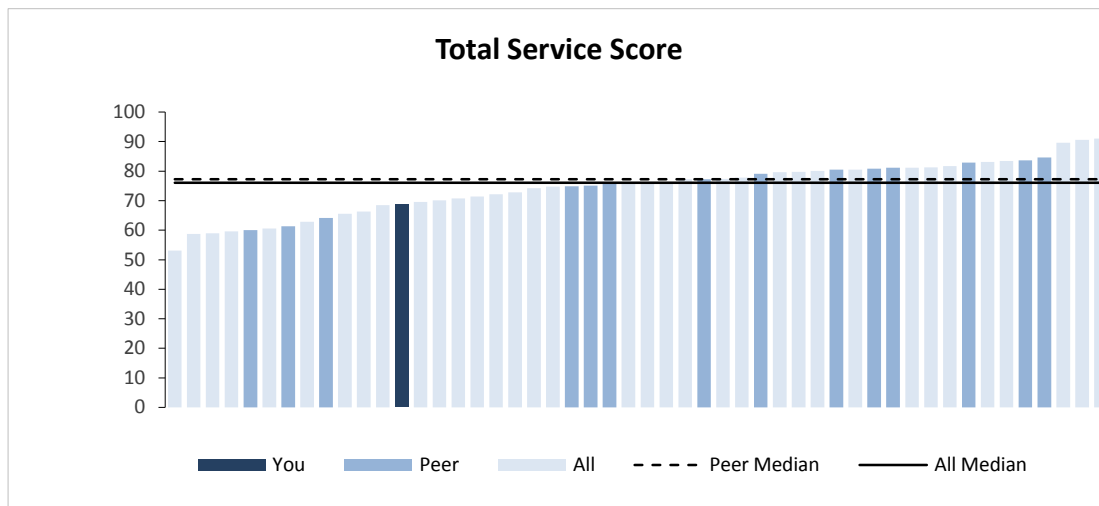
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This section:

- 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 69 out of 100. This was below the peer median of 77.



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 centre open 24 hours a day but few schemes 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.

### 2011 methodology changes

Changes to the scoring methodology in 2011 were:

1. Payment advice frequency in 1A 'Pension Payments' now gives a perfect score if payment advices are available online.
2. The maximum call wait time required for a perfect score in 2A 'Call Center' has been increased to 20 seconds.
3. The minimums of 1% of members counseled one-on-one as a percent of active members in 2C '1-on-1 Counseling' and 2.5% of attendees per presentation as a percent of active members in 2D 'Presentations and Group Counseling' have been reduced if members can retire online.
4. Online estimates are now included in 2E 'Estimates' timeliness measure, provided members can retire online.
5. Newsletter frequency required for a perfect score in 2F 'Mass Communication' has been reduced from 4 per year to 2 per year for active and retired members.
6. A perfect score in 2F 'Mass Communication' now requires member statements to be online.
7. A perfect score in 'Disaster Recovery' now requires use of an independent auditor.

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				Peer 2011				All 2011			
		2011	2010	2009	2008	Avg	Max	Med	Min	Avg	Max	Med	Min
<b>1. Member Transactions</b>													
a. Pension Payments	19.7%	95	95	95	95	97	100	98	94	97	100	97	93
b. Pension Inceptions	7.4%	91	91	91	92	77	100	83	17	78	100	84	10
c. Withdrawals and Transfers-out	0.3%	28	19	10	10	67	100	90	5	69	100	74	0
d. Purchases and Transfers-in	3.1%	84	82	86	52	74	100	80	15	68	100	78	0
e. Disability	4.8%	82	73	73	73	78	100	82	19	81	100	87	10
<b>2. Member Communication</b>													
a. Call Center	21.2%	49	50	24	24	57	86	60	27	65	89	68	22
b. Mail Room, Imaging	---	---	---	---	---	---	---	---	---	---	---	---	---
c. 1-on-1 Counseling	7.4%	55	49	49	49	77	98	86	8	69	98	76	0
d. Member Presentations	6.5%	92	83	63	72	83	100	84	66	75	100	81	0
e. Written Pension Estimates	4.7%	66	73	66	45	76	97	83	25	74	100	78	25
f. Mass Communication													
• Website	7.6%	41	41	41	41	72	91	77	41	67	97	71	18
• Newsletters	3.8%	80	80	85	85	88	100	85	75	80	100	85	0
• Member Statements	6.6%	83	77	77	77	78	94	83	53	74	100	77	15
• Other	0.9%	42	50	40	40	57	87	60	0	60	90	60	0
<b>3. Quality Indicators</b>													
Satisfaction Surveying	5.0%	12	12	12	0	45	74	49	12	38	100	38	0
Disaster Recovery	1.0%	41	78	78	78	81	100	80	41	80	100	84	0
<b>Total service score</b>	<b>100%</b>	<b>69</b>	<b>68</b>	<b>61</b>	<b>59</b>	<b>75</b>	<b>85</b>	<b>77</b>	<b>60</b>	<b>74</b>	<b>91</b>	<b>76</b>	<b>53</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. Historic scores have been restated to reflect changes in methodology.

## 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 the on-site meetings, symposiums and peer conferences.

2. **Relative Cost of Each Activity**

As shown in section 3, the average participant spends 4.3% of its annual budget on member calls versus 1.6% for 1-on-1 counseling. Thus, based solely on relative cost, member calls are 2.7 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 participant does 26 pension inceptions and receives 709 member calls for every 1,000 active members and annuitants. Thus, based solely on relative volume, calls are 27.1 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 with the services provided by their bank), but they rarely have any experience of having a pension inception. So, it's 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 much 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 criteria, 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				
	2008	2009	2010	2011	% <sup>2</sup>	2008	2009	2010	2011	% <sup>2</sup>	2008	2009	2010	2011	% <sup>2</sup>
1. Member Transactions															
a. Pension Payments	95	95	95	95	0.0%	97	97	97	97	0.0%	97	96	97	97	0.0%
b. Pension Inceptions	92	91	91	91	-0.4%	70	72	74	77	3.2%	73	74	74	76	1.4%
c. Withdrawals and Transfers-out	10	10	19	28	40.9%	65	66	68	71	3.0%	68	69	70	70	1.0%
d. Purchases and Transfers-in	52	86	82	84	17.3%	74	76	74	74	0.0%	69	70	67	67	-1.0%
e. Disability	73	73	73	82	4.0%	79	79	80	78	-0.4%	82	82	83	83	0.4%
2. Member Communication															
a. Call Center	24	24	50	49	26.9%	59	58	61	56	-1.7%	64	66	68	64	0.0%
b. Mail Room, Imaging	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
c. 1-on-1 Counseling	49	49	49	55	3.9%	78	78	77	75	-1.3%	68	72	71	68	0.0%
d. Member Presentations	72	63	83	92	8.5%	82	80	83	82	0.0%	68	73	75	76	3.8%
e. Written Pension Estimates	45	66	73	66	13.6%	77	77	75	76	-0.4%	75	76	76	76	0.4%
f. Mass Communication															
• Website	41	41	41	41	0.0%	62	68	69	72	5.1%	59	64	66	68	4.8%
• Newsletters	85	85	80	80	-2.0%	84	88	88	88	1.6%	76	77	80	80	1.7%
• Member Statements	77	77	77	83	2.5%	74	75	76	78	1.8%	74	74	74	76	0.9%
• Other	40	40	50	42	1.6%	57	57	56	55	-1.2%	63	64	63	63	0.0%
3. Quality Indicators															
Satisfaction Surveying	0	12	12	12	n/a	38	40	43	44	5.0%	36	37	39	40	3.6%
Disaster Recovery	78	78	78	41	-19.3%	80	80	82	81	0.4%	79	80	81	81	0.8%
Total Service Score	59	61	68	69	5.4%	74	74	76	75	0.4%	73	74	75	75	0.9%

1. Trend analysis is based on systems that have participated for 4-consecutive years (14 peers and 41 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 2008 to 2011.

Historic scores have been restated to reflect changes in methodology. 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%	95.3	0.9 points
b. Pension Inceptions	7.4%	91.3	0.6 points
c. Withdrawals and Transfers-out	0.3%	28.0	0.2 points
d. Purchases and Transfers-in	3.1%	84.0	0.5 points
e. Disability	4.8%	82.0	0.9 points
<b>2. Member Communication</b>			
a. Call Center	21.2%	49.1	10.8 points
c. 1-on-1 Counseling	7.4%	55.4	3.3 points
d. Member Presentations	6.5%	91.6	0.5 points
e. Written Pension Estimates	4.7%	66.2	1.6 points
f. Mass Communication			
• Website	7.6%	40.8	4.5 points
• Newsletters	3.8%	80.0	0.8 points
• Member Statements	6.6%	82.8	1.1 points
• Other	0.9%	42.0	0.5 points
<b>3. Quality Indicators</b>			
Satisfaction Surveying	5.0%	12.2	4.4 points
Disaster Recovery	1.0%	40.5	0.6 points
<b>Total</b>	<b>100%</b>	<b>68.7</b>	<b>31.3 points</b>

1. Each listed potential improvement to total service score equals 100 minus your 2011 score multiplied by the weight used to determine the total service score. This indicates where to focus your efforts to achieve the most significant impact on your total service score.

## Biggest potential improvements to your total service score

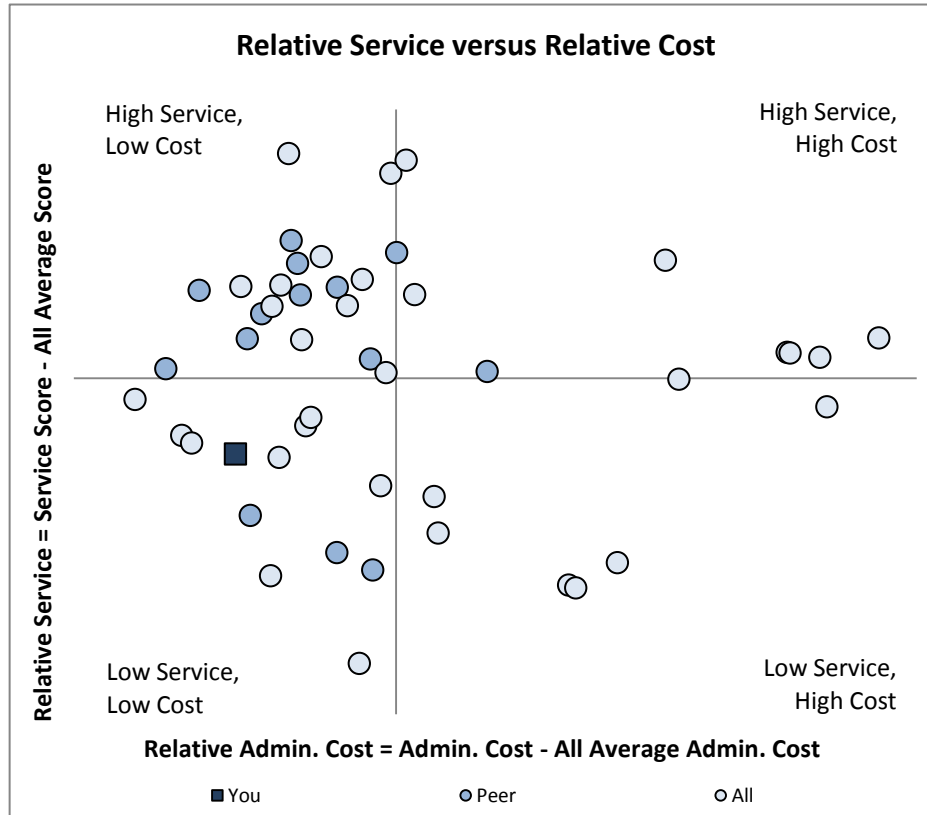
CEM is not recommending these changes. Higher service is not necessarily optimal or cost effective. We include this summary analysis because many participants want to know what they would have to do to achieve a higher score. For a complete accounting of all improvements required to achieve a perfect 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 207 seconds. To achieve a perfect service score, members must reach a knowledgeable person on the phone in 20 seconds or less.	+ 5.15
# 2	You offer 1 of the 13 website transactions and tools applicable to you. To achieve a perfect service score you must offer all 13 on-line transactions and tools.	+ 2.51
# 3	8.9% of your incoming calls resulted in undesired outcomes, and 0.0% of your incoming calls resulted in irritating outcomes. To achieve a perfect service score, members must experience no undesired or irritating call outcomes.	+ 2.11
# 4	You have 2 menu layers. To achieve a perfect service score you must have no menu layers.	+ 1.27
# 5	0.7% 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

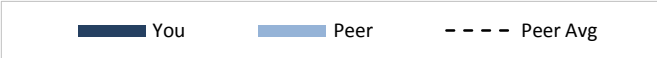
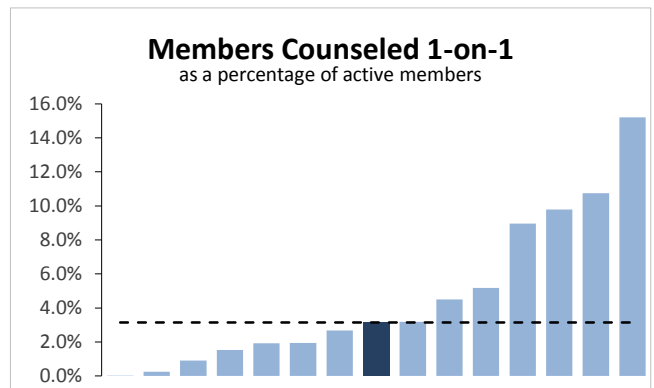
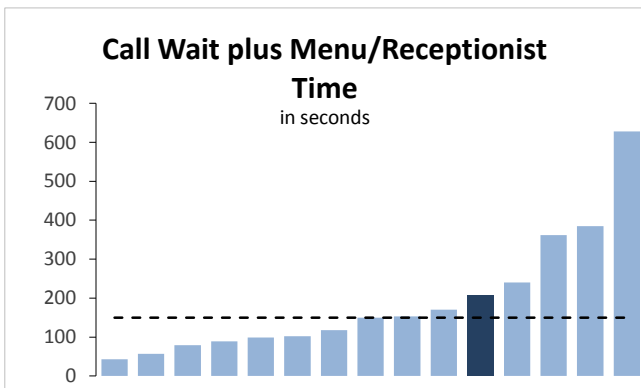
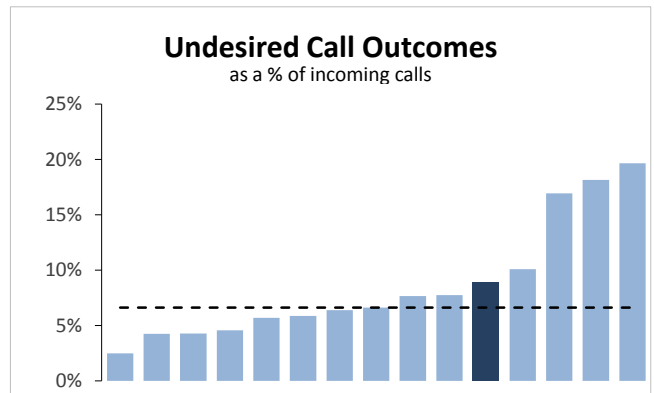
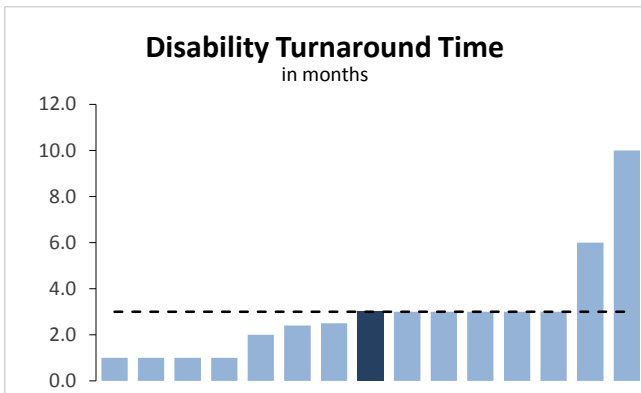
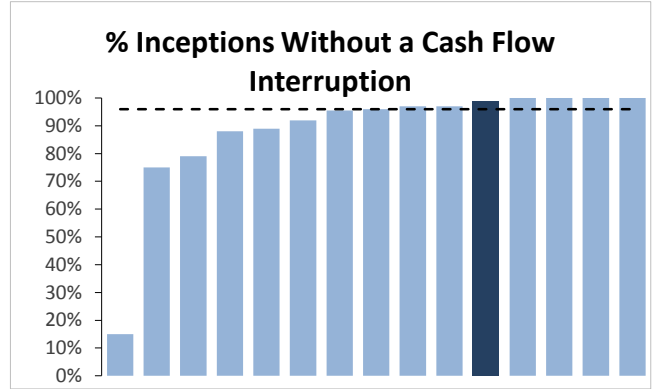
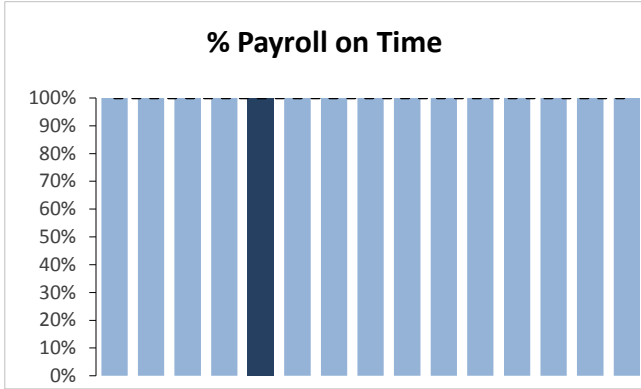


Service scores are not good predictors of costs because:

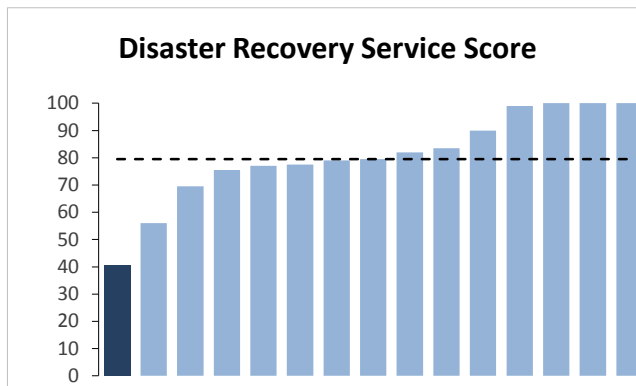
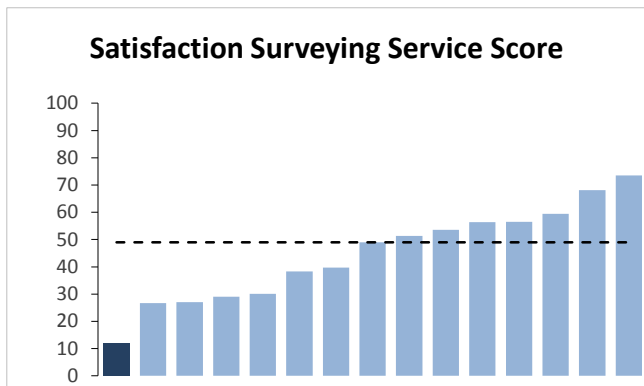
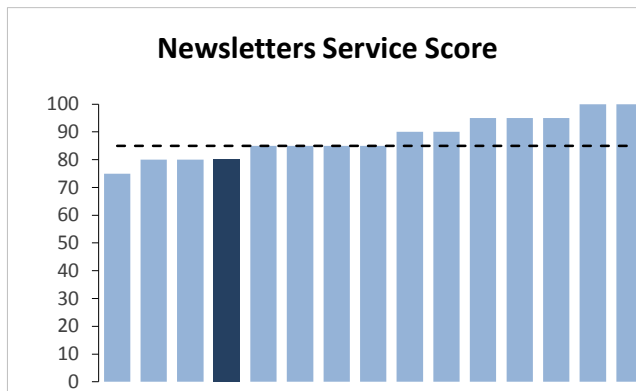
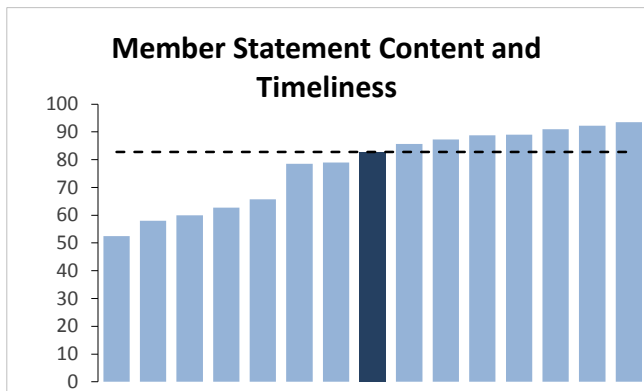
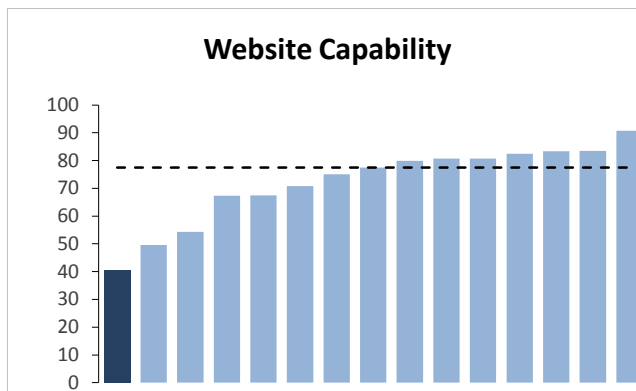
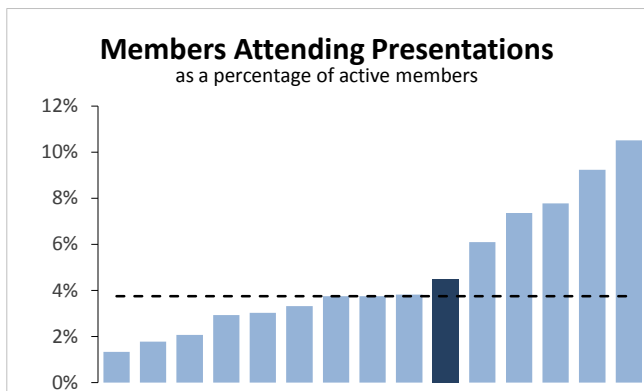
- Costs are driven much more by the volume of service transactions (e.g., the number of calls, 1-on-1 sessions, presentations, etc.) than they are by their timeliness, availability, or quality.
- Service is partly a function of historic investment in information technology. These historic costs are not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

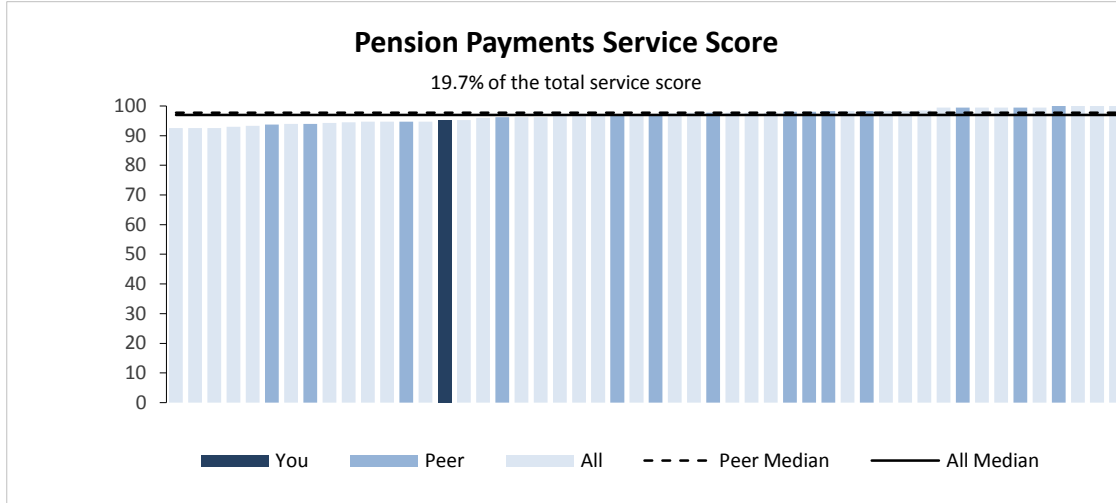


# Graphical comparison of key measures



# 1A Pension Payments

Your service score for paying pensions was 95 out of 100. This was below the peer median of 98.

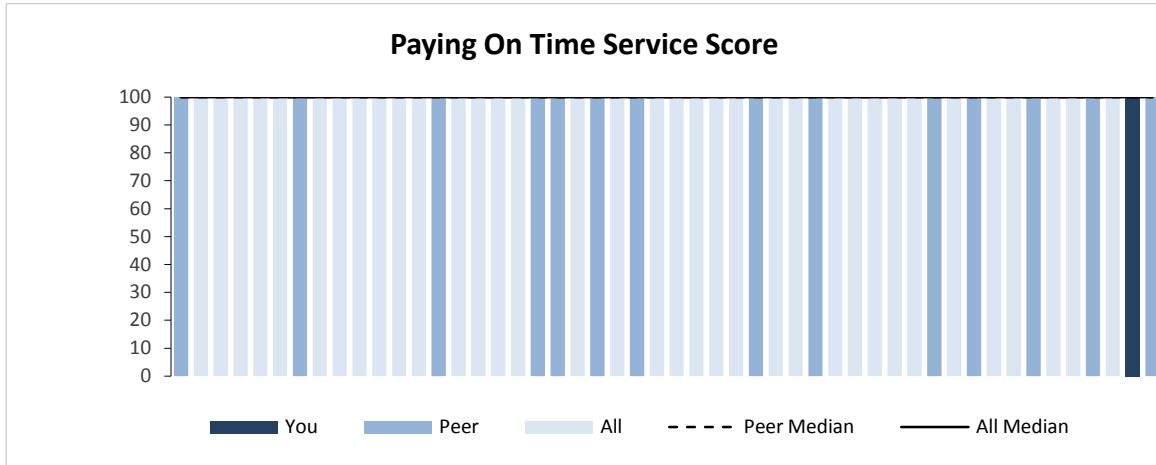


Your service score for 1a pension payments is the weighted total of the components shown in the table below. The methodology and data used to determine your scores for each of these components is described in detail on the following pages.

Pension Payments Service Score Components		
	Weight	Your Score
a. Paying on time	90%	100.0
b. Payment advices	5%	30.0
c. Banking services	5%	75.0
<b>Weighted Total</b>	<b>100%</b>	<b>95.3</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	None	100
Total score			100

### 2. Rationale for the scoring method

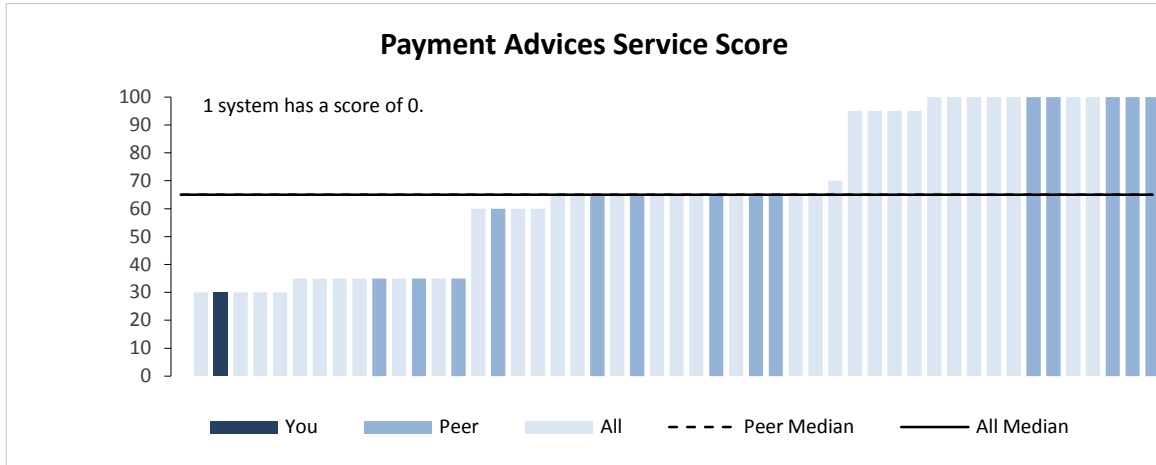
Paying pensions on time is a critical component of all retirement systems. A perfect score requires that all regular payments are paid on time to the correct annuitants.

### 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 30 out of 100. This was below the peer median of 65.



1. Scoring method		Your Data	Your Score
+ 35	if payment advices can be viewed online or if you send payment advices detailing the gross payment and deductions with every payment, 30 if every time amount changes, 20 if payment advices are sent quarterly, otherwise 0	Every Time Amount Changes	30.0
+ 30	if you provide messages on the payment advice	No	0.0
+ 35	if you can comply with a request not to send a payment advice or if you ask new annuitants if they want to receive a pay slip	No	0.0
Total score			30.0

### 2. Rationale for the scoring method

Some members prefer not to receive payment advices as they generate unnecessary mail and paper. Therefore, systems that can comply with a members request not to send payment advices receive a higher score.

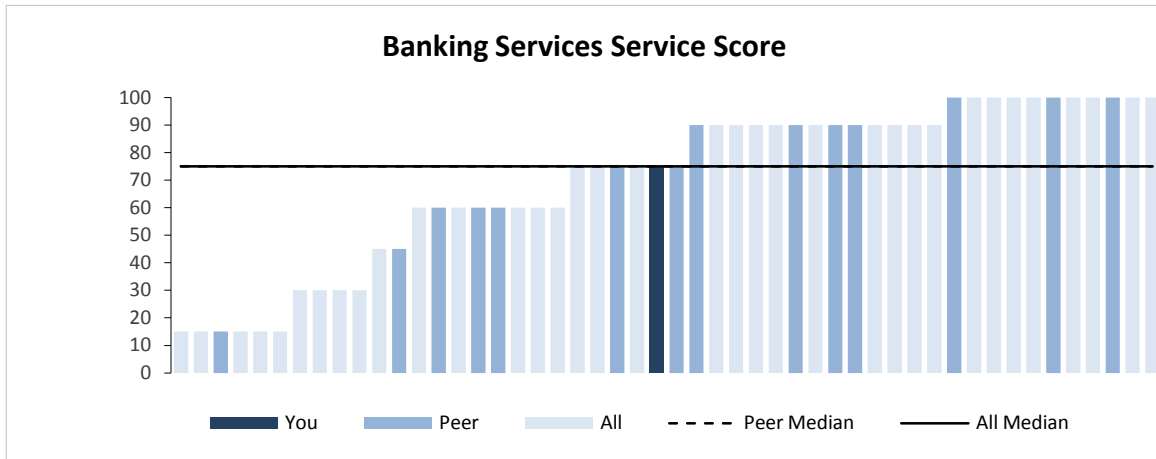
Providing messages on payment advices can be an effective communication tool.

## b. Payment advices

3. Survey questions used		You	Peer Avg
Q13	Do you send out payment advices (i.e., gross/ net specifications) 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) Do you use payment advices to communicate brief messages to annuitants with payments? [For example, explaining payment changes, or indicating that the next payment will be on the 2nd of the month]	No	79% Yes
	c) Can you comply with a member's request not to send them payment advices?	No	36% Yes
	d) Are new annuitants asked to choose whether or not they want to receive payment advices?	No	14% Yes
Q86	Indicate whether the following capabilities are available on your website and provide volumes:		
	m) View annuity payment details? [i.e., gross amounts, deductions]	No	87% Yes

## c. Banking services

Your service score for banking services was 75 out of 100. This was equal to the peer median.



1. Scoring method		Your Data	Your Score
+ 100	if you offer 7 or more of the banking services listed below, otherwise 15 X number of banking services offered [Subject to a maximum score of 100]	5	75.0
Total score			75.0

2. Rationale for the scoring method	
Offering services, on behalf of the member, to a third party is a convenience to the member.	

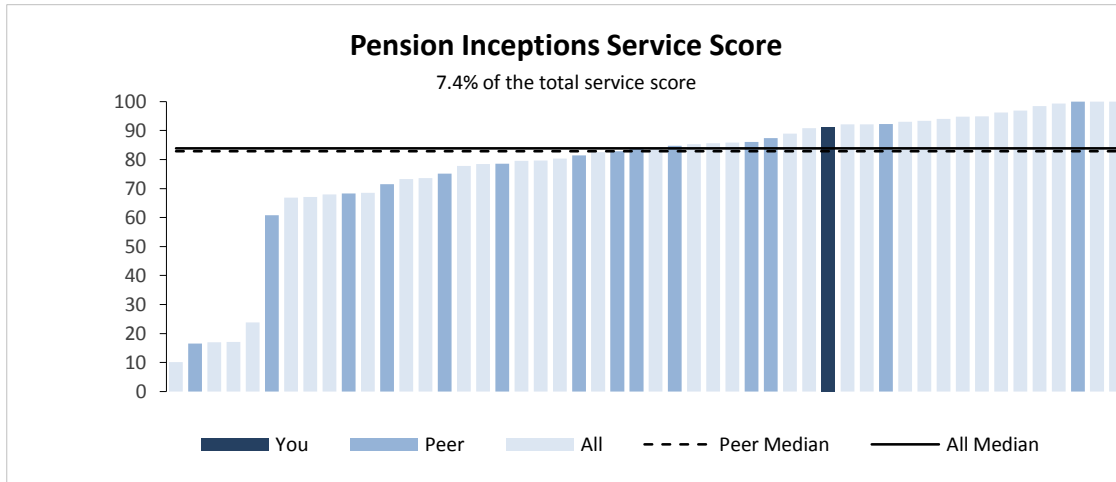


## c. Banking services

3. Survey questions used		You	Peer Avg
Q14	Will you issue a pension payment in a foreign currency if the member requests it?	No	0% Yes
Q15	At the request of an annuitant, or a third-party, will you deduct amounts from his/her regular annuity payments and pay them on his/ her behalf to a third party for:		
	a) Healthcare?	Yes	93% Yes
	b) Dental and/or vision coverage?	Yes	93% Yes
	c) Other special health coverage such as long-term care, cancer?	Yes	67% Yes
	d) Optional life insurance?	Yes	60% Yes
	e) Car insurance?	No	13% Yes
	f) Home insurance?	No	13% Yes
	g) Retiree association or union dues?	No	67% Yes
	h) Savings plans such as savings bonds or DC plans?	No	0% Yes
	i) Charitable contributions?	No	7% Yes
	j) Loan repayments?	No	0% Yes
	k) Prescription card?	No	7% Yes
	l) Mandatory deductions including taxes, divorce decrees or QDROs, family support, child support, garnishment or liens on wages for things such as bankruptcy, etc.?	Yes	100% Yes
	Total 'Yes'	5	5.0

## 1B Pension Inceptions

Your service score for pension inceptions was 91 out of 100. This was above the peer median of 83.

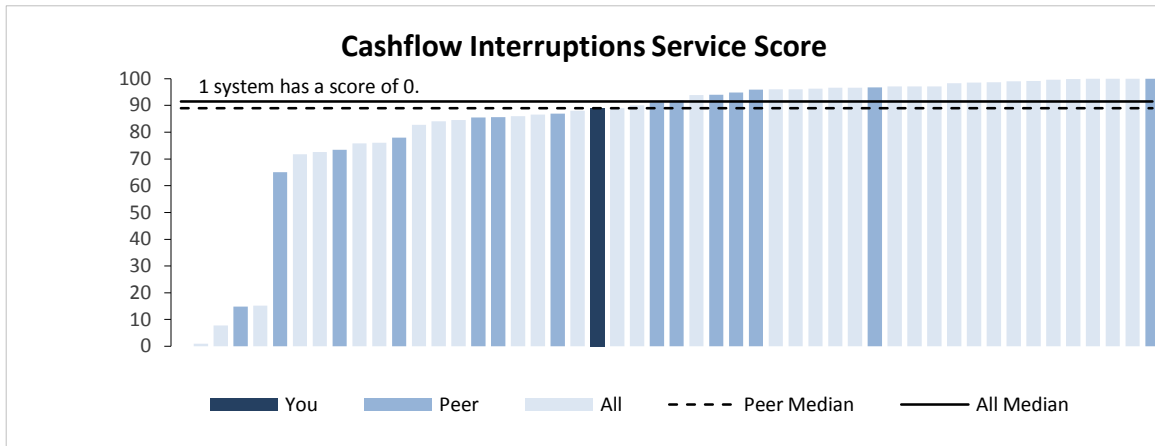


Your service score for 1b pension inceptions is the weighted total of the components shown in the table below. The methodology and data used to determine your scores for each of these components is described in detail on the following pages.

Pension Inceptions Service Score Components		
	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 equal to the peer median.



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
- 10	If a service retirement is based on estimates: 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 100% 6 months	-10.0
Total score			89.0

### 2. Rationale for the scoring method

Cashflow interruptions can cause hardship for members. Faster is higher service.

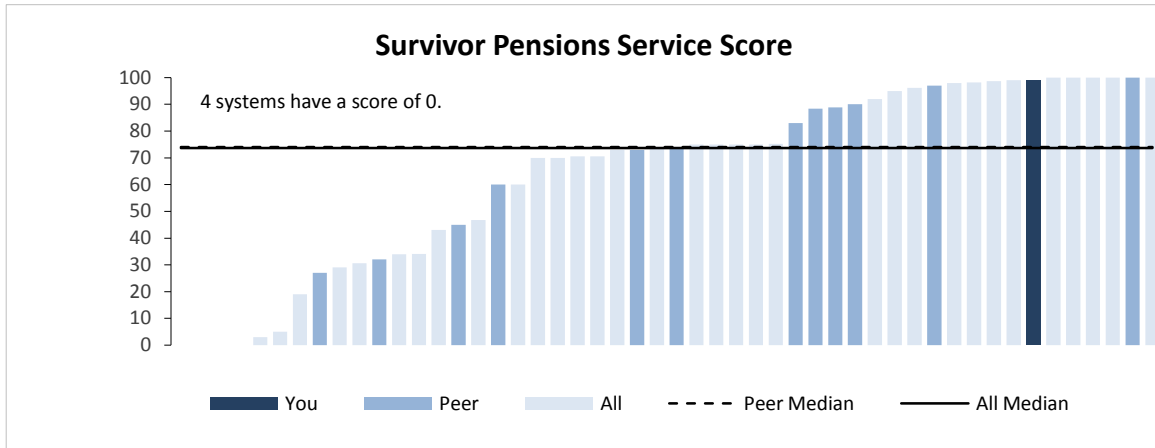
When retirements are based on estimates, the sooner the final amount is finalized, the better because estimates cause uncertainty.

## a. Cashflow interruptions

3. Survey questions used		You	Peer Avg
Q18	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%	88.2%
Q19	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 100% 6 months	87% Yes 73% 5 months

## b. Survivor pensions

Your service score for survivor pensions was 99 out of 100. This was above the peer median of 74.



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 pension paid without interruption to survivors	99%	99.0
- 25	if a survivor needs to apply for a survivor pension	No	0.0
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 you can continue paying an uninterrupted pension without requiring the survivor to apply for the benefit.

### 3. Survey questions used

		You	Peer Avg
Q18	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%	76%
Q20	Do survivors need to apply for a survivor pension after the death of a retired member, even if the survivor is known to the pension fund?	No	53% Yes

## c. Red tape

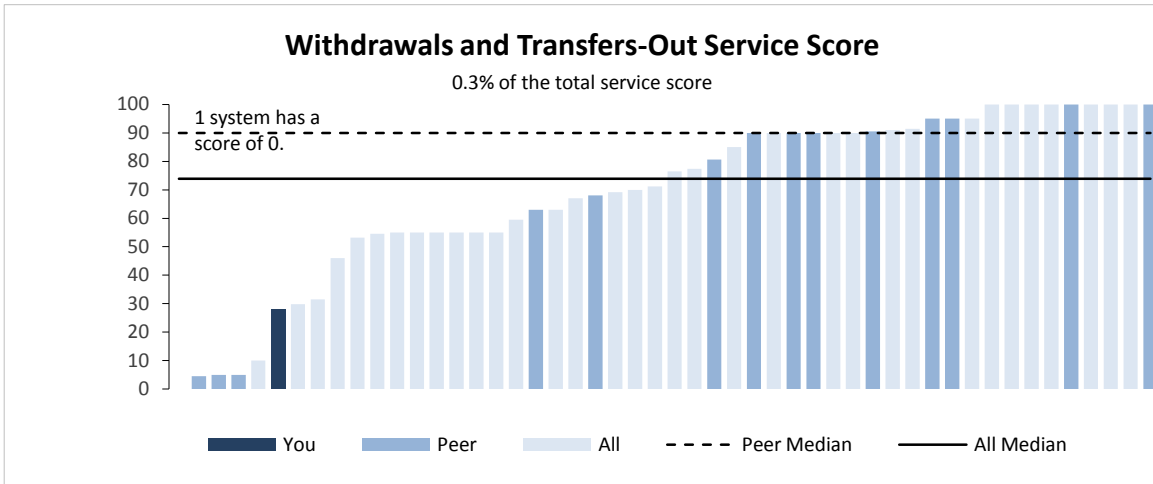
1. Scoring method		Your Data	Your Score
+ 80	if you do not require notarization of retirement applications, or + 40 if you require notarization of some retirement applications	not required	80.0
+ 20	if you do not require birth/marriage certificates before incepting a pension	not required	<u>20.0</u>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

2. Rationale for the scoring method	
<p>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.</p>	

3. Survey questions used		You	Peer Avg
Q21	Do you require birth certificates and/or marriage certificates before incepting a pension?	No	53% Yes
Q22	Do you require notarization of normal or early retirement applications?	No	40% 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 90.



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]	60 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 transfer-out applications, 5 if some applications require notarization, 0 if notarization is required	not required	10.0
<b>Total score</b>			<b>28.0</b>

### 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.

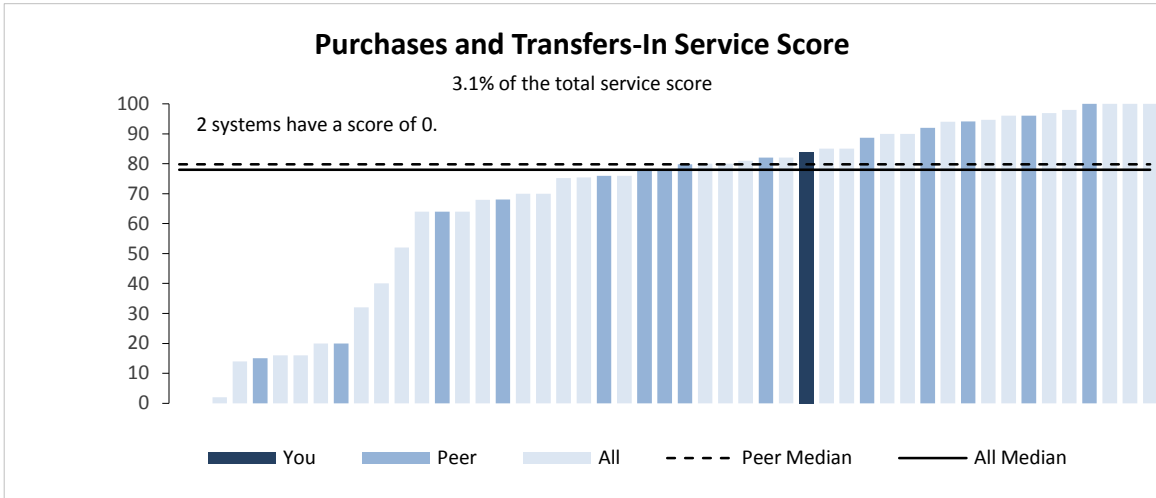
## 1C Withdrawals and Transfers-out

3. Survey questions used		You	Peer Avg
Q24	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)?	60	42 days
	a) Are you legislated to have a wait period before you can effect a refund?	No	67% Yes
	b) If yes: How long is the wait period? (in days)	n/a	54 days
	c) If yes: Can the wait period be waived?	n/a	30% Yes
Q25	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	45 days
Q26	Do you require notarization of refund or transfer-out applications?	No	34% Yes



# 1D Purchases and Transfers-in

Your service score for purchases and transfers-in was 84 out of 100. This was above the peer median of 80.



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]	9 days	64.0
<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]	1.0 month	20.0
<b>Total score</b>			<b>84.0</b>

**2. Rationale for the scoring method**

From a member perspective, faster is higher service.

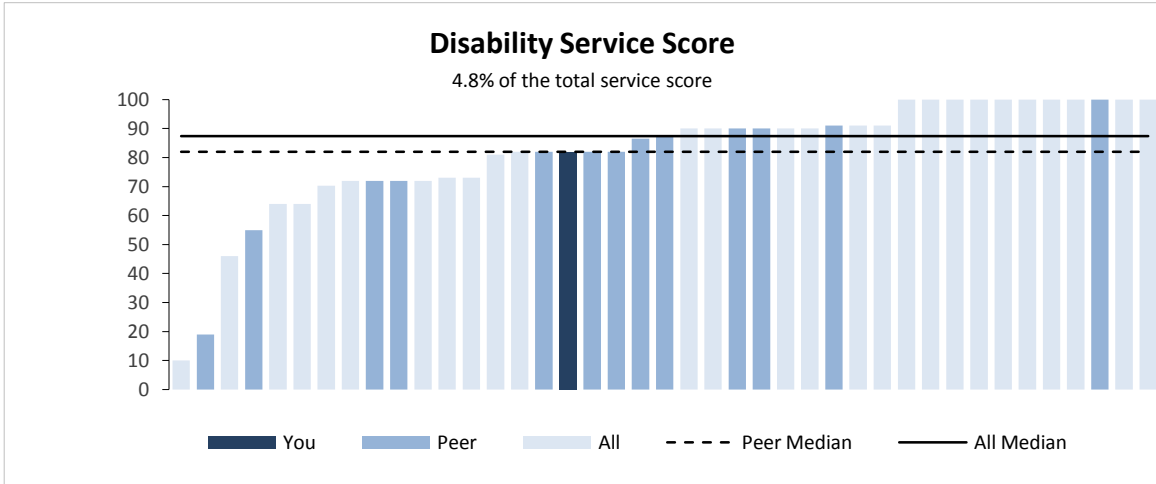
The score for transfers-in is mostly based on your own timeliness. A small part of the score is based on the total time it takes to complete transfers-in (i.e. including delays caused by third parties). Speed from request to completion is what matters to members, regardless of whether the delays are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

## 1D Purchases and Transfers-in

3. Survey questions used		You	Peer Avg
Q29	On average, how many days does it take from the date of first request to provide a written service credit cost purchase estimate?	9	18 days
Q30	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]	1	2 months

# 1E Disability

Your service score for disability was 82 out of 100. This was equal to the peer median.



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 per 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**

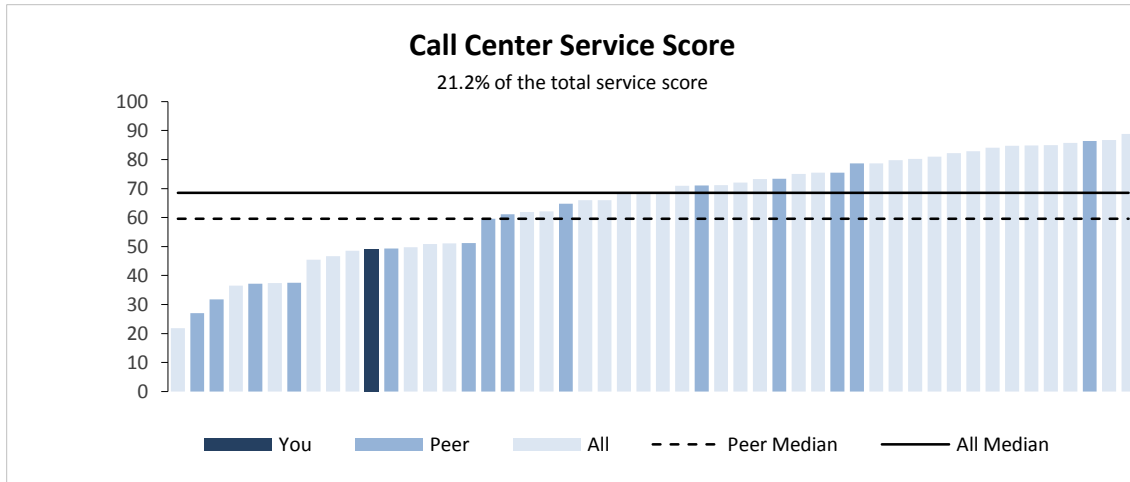
From a member perspective, faster is higher service.

Notarization requirements are a hassle.

3. Survey questions used		You	Peer Avg
Q34	How many months, on average, does it take to return a decision on a disability application from the day of initial request to a decision?	3.0	3 months
Q37	Do you require notarization of disability applications?	No	33% Yes

## 2A Call Center

Your call center service score was 49 out of 100. This was below the peer median of 60.

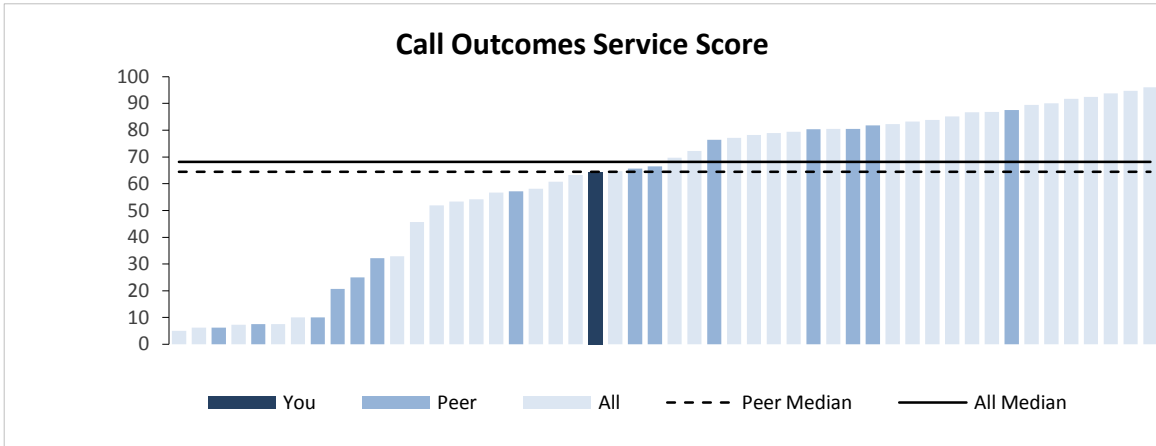


Your service score for 2a call center is the weighted total of the components shown in the table below. The methodology and data used to determine your scores for each of these components is described in detail on the following pages.

Call Center Service Score Components		
	Weight	Your Score
a. Call outcomes	28%	64.4
b. Call wait time	27%	0.0
c. Menu layers	15%	60.0
d. CRM and other capability	15%	72.0
e. First contact satisfaction	5%	65.5
f. Call quality monitoring	10%	80.0
<b>Weighted total</b>	<b>100%</b>	<b>49.1</b>

## a. Call outcomes

Your service score for call outcomes was 64 out of 100. This was equal to the peer median.



1. Scoring method		Your Data	Your Score
+ 90	if members experience no undesired or irritating call outcomes		90.0
	- % of calls resulting in other undesired outcomes X 400	8.9%	-35.6
	- % of calls resulting in irritating outcomes X 1,200	0.0%	<u>0.0</u>
	[Subject to a minimum score of 0]		54.4
+ 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			64.4

### 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.

Some undesired outcomes are worse than others. Irritating outcomes, such as busy signals after negotiating menu systems reduce your score more rapidly than other undesired outcomes, such as busy signals that occur before entering the system.

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

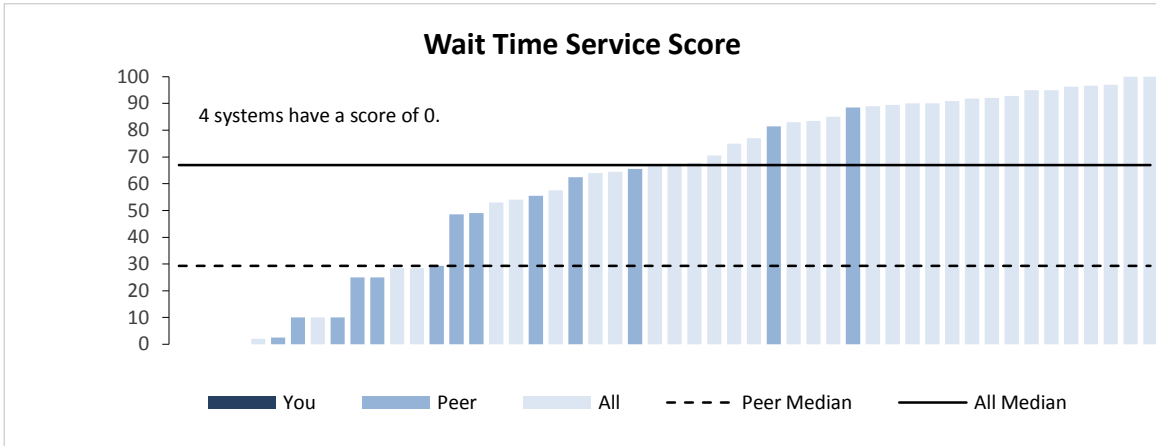
## a. Call outcomes

3. Survey questions used		You	Peer Avg
	<u>Desired call outcomes</u>		
Q38	a) Incoming calls that reach and are responded to by a knowledgeable service representative (i.e., exclude messages, etc)?	136,694	247,899
	c) Incoming calls satisfied by self-serve options, if any?	<u>38,274</u>	<u>89,114</u>
	Total desired call outcomes (A)	174,968	337,013
	<u>Undesired call outcomes during business hours</u>		
Q39	a) # Busy signal, never enters the system?	19*	1,008
	b) # Caller gets pre-recorded 'call another time' message during business hours?	n/a	970
	c) # Voice mail takes a message during business hours?	n/a	6,435
	d) # Abandoned calls i.e. caller hangs-up while in a menu?	5,925*	10,675
	e) # Abandoned calls i.e. caller hangs-up while in a queue or on hold?	11,148	21,426
	h) # Call rings unanswered during business hours?	n/a	750
	# Receptionists takes a message	<u>n/a</u>	<u>n/a</u>
	Total undesired call outcomes during business hours (B)	17,092	32,125
	Undesired outcomes as a percentage of total incoming calls (B / D)	8.9%	8.6%
	<u>Irritating call outcomes</u>		
Q39	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	24,403
	g) # Busy signal after navigating an automated attendant menu, or after being transferred by a receptionist?	<u>n/a</u>	<u>125,292</u>
	Total irritating call outcomes (C)	0	26,685
	Irritating outcomes as a percentage of total incoming calls (C / D)	0.0%	2.6%
	Total incoming calls (D = A + B + C)	192,060	395,823
	<u>Undesired outcomes after business hours</u>		
Q55	How many hours per week is your 'call center' operational?	50.0	46.8h

\* 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 0 out of 100. This was below the peer median of 29.



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]	207 seconds	0.0
	<u>Emails</u>		
+ 10	if wait time is 0.5 day or less, otherwise 10 - 5 for each day over 0.5 days [Subject to a minimum score of 0]	3.0 days	0.0
Total score			0.0

### 2. Rationale for the scoring method

A perfect score requires callers to reach a knowledgeable person with no wait time and a turnaround for emails of half a day or faster.

For every 2 seconds a caller waits beyond 20 seconds, your score is reduced by 1. For example, if you have a 30-second wait time your score would be 95 (assuming that you also respond to email in less than half a day). If your wait time increased to 60 seconds, your score would be reduced to 80.

## b. Call wait time

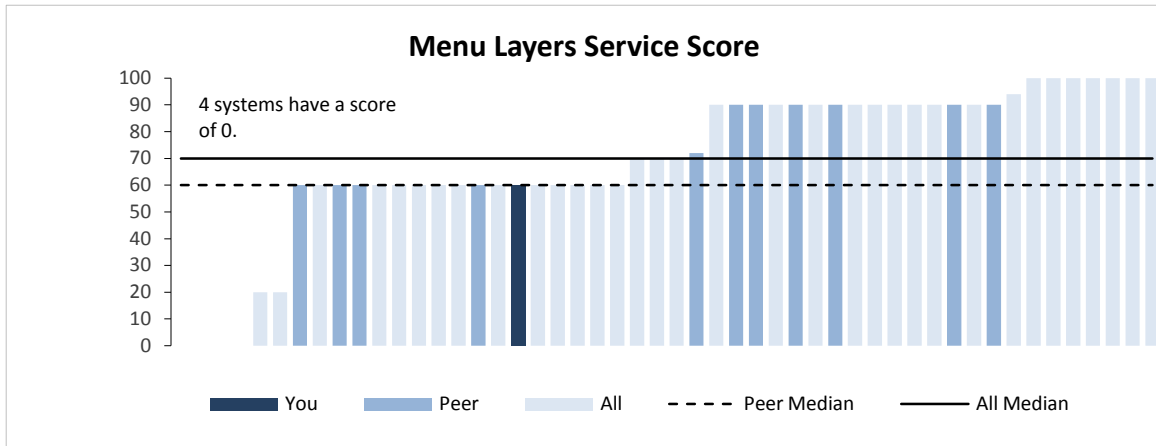
3. Survey questions used		You	Peer Avg
	Average total time in seconds for a caller to reach a knowledgeable person. This is the sum of the time to:	207	192
	<u>(1) Navigate menus</u>		
Q40	If you have a menu:	Yes	100% Yes
	b) What is the average time in seconds that it would take a caller to negotiate the menu and listen to menu options before the caller is forwarded to a live person (or queue for a live person)? (A)	80	62
	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 menu = (A) X [1 - (B)]	80	62
	<u>(2) Navigate receptionists</u>		
Q41	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 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>		
Q42	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?	127	130
	b) % of calls forwarded by a receptionist, if applicable, to the queue.	<u>n/a</u>	<u>n/a</u>
	Adjusted wait in queue = (A) X (B), if applicable	127	130
Q56	Can members communicate questions using email?	Yes	100% 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.	3.0	2.1 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 60 out of 100. This was equal to the peer median.



1. Scoring method		Your Data	Your Score
+ 100	if no menu layers, otherwise 90 if 1 layer, 60 if 2 layers, 20 if 3 layers, 0 if 4 or more layers	2.0	60.0
- 30	if a receptionist is the first point of contact.	No	0.0
Total score			60.0

## 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.

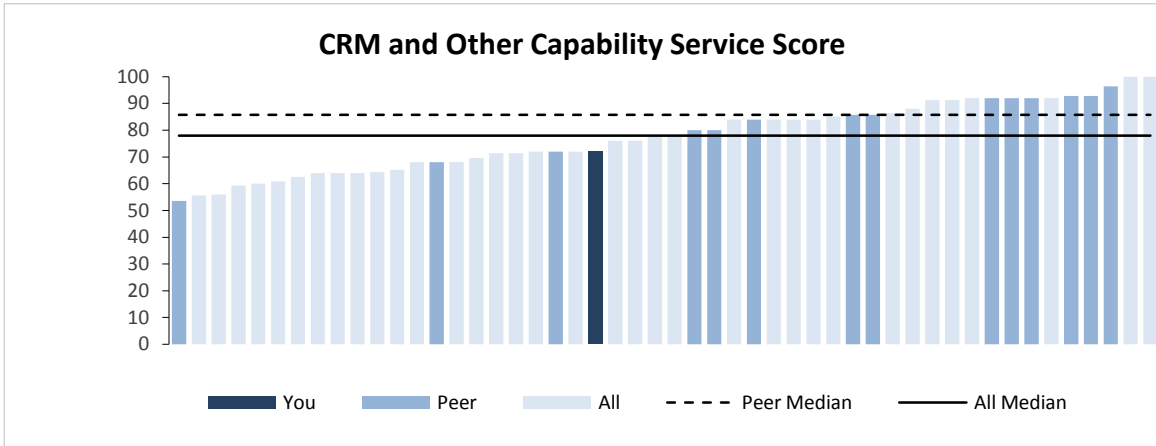
Receptionists are often more irritating than a menu layer because of the need to explain your needs twice, incorrect redirection, etc.

### 3. Survey questions used

		You	Peer Avg
Q40	Do you have a menu system that callers negotiate before speaking to someone?	Yes	100% Yes
	a) If yes, what is the average number of menu layers that must be navigated before a caller can speak to a live person?	2	2
Q41	When a member calls in, is the first point of human contact usually a receptionist(s) that 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 72 out of 100. This was below the peer median of 86.



1. Scoring method	Your Data	Your Score
+ 100 X total number of 'yes' responses to the call capability questions shown on the next pages divided by the 25 that are applicable to you.	18 Yes	72.0

2. Rationale for the scoring method
<p>You can serve your members better if you have real time access to all of their records and if you have tools that enable you to provide immediate, informed, and accurate answers to their questions.</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

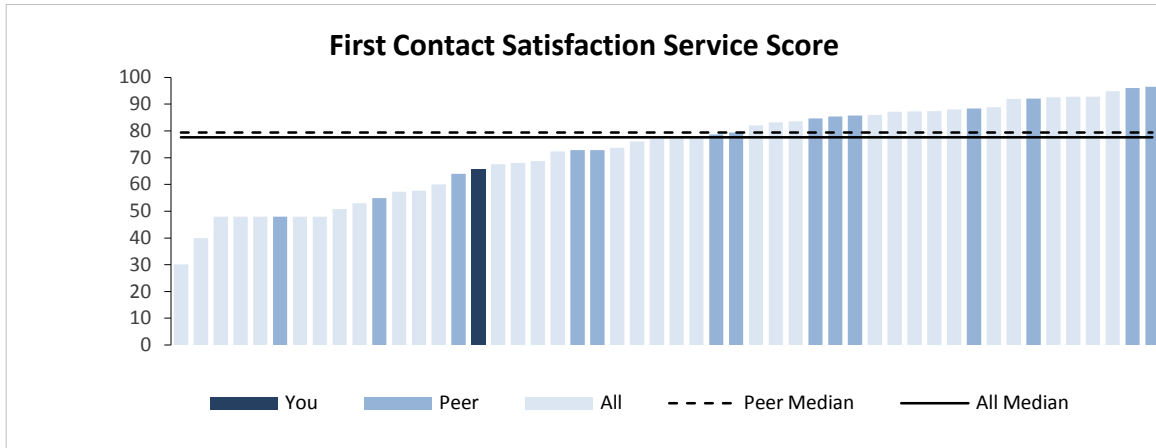
3. Survey questions used		You	Peer Avg
Q42	Are callers given the option to exit the queue and leave a voice mail message (either immediately or if the queue exceeds a set wait time)?	No	20% Yes
Q43	Does your system offer voice mail for responding to calls after hours?	No	20% Yes
Q48	When a member calls in, do you have immediate computer access to the following member data:		
	a) Record of the member's previous calls to the system?	Yes	87% Yes
	b) Copies of recent correspondence on-line?	Yes	100% Yes
	c) Knowledge based on-line help system available for use by the service representative?	Yes	80% Yes
	d) Most recent member statement?	Yes	100% Yes
	e) Refund or transfer-out value?	Yes	100% Yes
	f) Pensionable salary?	Yes	93% Yes
	g) Salary history?	Yes	100% Yes
	h) Total service credit?	Yes	100% Yes
	i) Service credit history?	Yes	100% Yes
	j) Beneficiary information?	Yes	100% Yes
	k) Home address and phone number?	Yes	100% Yes
	l) Non-pension benefit and optional elections?	Yes	80% Yes
Q49	Do your service representatives have real time access to a workflow system that lets them know the status of open items?	Yes	100% Yes
Q50	Can and will you provide the following information on an immediate real-time basis to members over the phone?		
	a) Estimates of benefits 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	100% Yes
	b) Refund or transfer value assuming member exited employment at the time of the call?	Yes	93% Yes
	c) Pensionable salary?	Yes	93% Yes
	d) Total service credit?	Yes	93% Yes
	e) Service credit purchase cost estimates?	No	60% Yes
	f) If you administer a DC plan:		
	f1) Current value of the DC account?	n/a	100% Yes
	f2) Estimate of the value of the DC account at retirement?	n/a	0% Yes

## d. CRM and other capability

3. Survey questions used		You	Peer Avg
Q51	Can members calling in perform the following transactions over the phone: a) Change address? b) Change beneficiary? d) If you administer a DC plan, switches to investment options?	Yes No n/a	80% Yes 0% Yes 50% Yes
Q53	Do you have and use tools to help you project call volumes?	No	87% Yes
Q54	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. First contact satisfaction

Your service score for first contact satisfaction was 65 out of 100. This was below the peer median of 79.



1. Scoring method		Your Data	Your Score
+ 80	if 100% of calls are satisfied by their first contact, 0 if 50% or fewer calls are satisfied by first contact, otherwise $80 - 160 \times (1 - \% \text{ satisfied by first contact})$ [Subject to a minimum score of 0, and 40 if not measured]	81%	49.6
+ 20	if no calls placed on hold, 0 if 50% or more calls are placed on hold, otherwise $20 - (20 \times \% \text{ of calls placed on hold} / 50\%)$ [Subject to a minimum score of 0, and 8 if not measured]	10.3%	15.9
Total score			65.5

### 2. Rationale for the scoring method

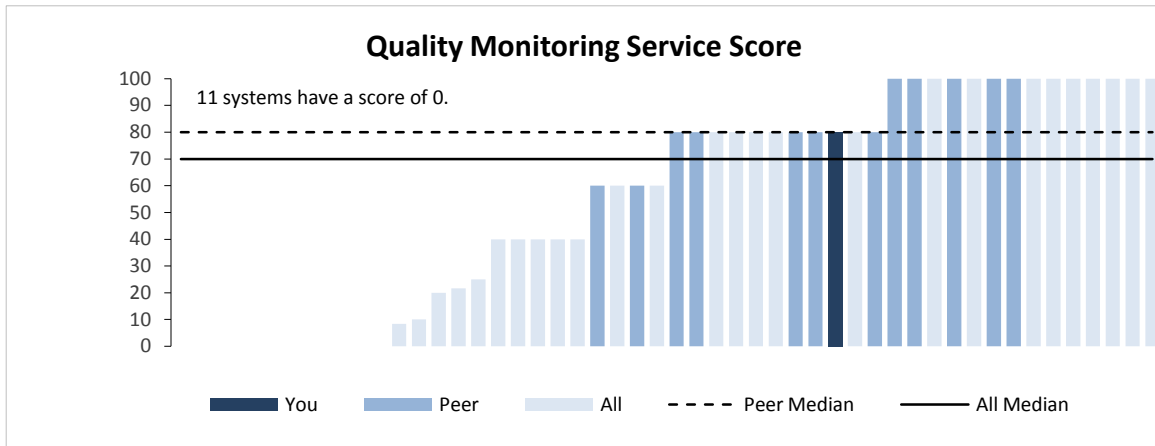
It is higher service if a caller's questions are immediately satisfied by the first contact without being placed on hold or transferred.

### 3. Survey questions used

		You	Peer Avg
Q45	c) % of calls satisfied by the first contact?	81%	90%
Q46	What was the % of calls placed on hold after a caller has reached a knowledgeable person?	10.3%	12.7%

## f. Call quality monitoring

Your service score for call quality monitoring was 80 out of 100. This was equal to the peer median.



1. Scoring method		Your Data	Your Score
+ 80	if you review your staff's responses to member calls for coaching purposes 4 or more times per month; otherwise 20 X # of times per month you review.	3	60.0
+ 20	if the review is based on listening in on a recording (versus a live call).	Recording	20.0
Total score			80.0

### 2. Rationale for the scoring method

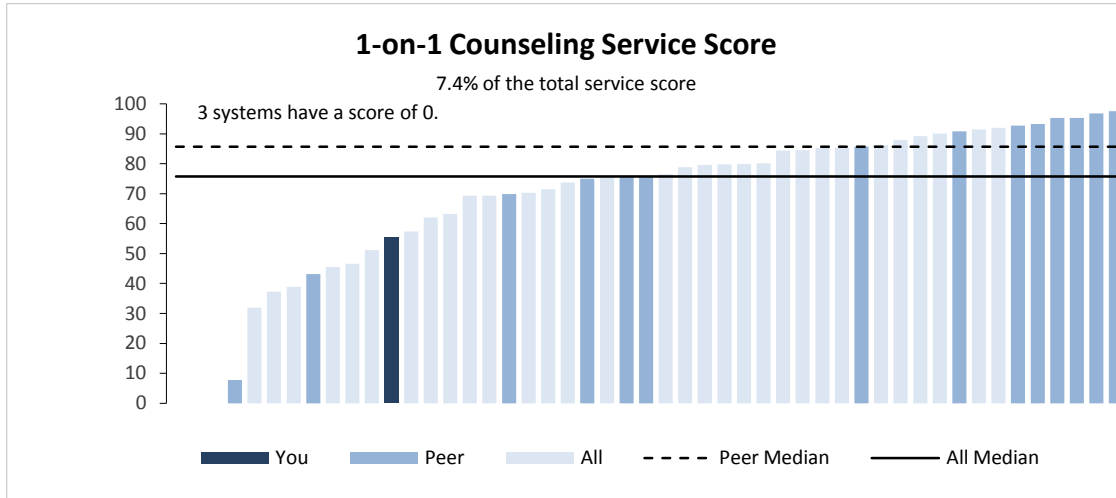
Regularly monitoring and coaching your staff responses to member calls will improve quality and service. Monitoring recordings is superior to listening in live because it allows more time for review and it allows staff to listen to themselves.

### 3. Survey questions used

		You	Peer Avg
Q52	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	23% Live

## 2C 1-on-1 Counseling

Your service score for 1-on-1 counseling was 55 out of 100. This was below the peer median of 86.



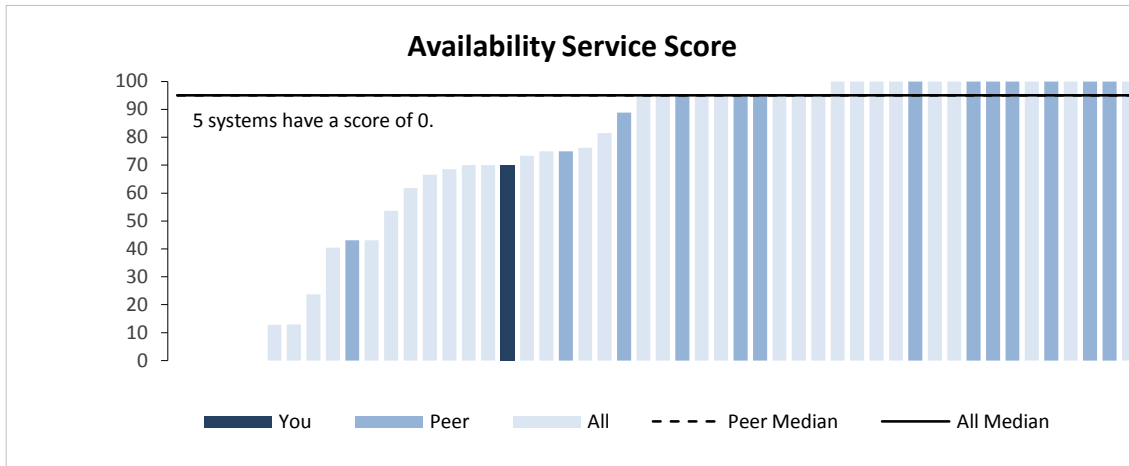
Your service score for 2c 1-on-1 counseling is the weighted total of the components shown in the table below. The methodology and data used to determine your scores for each of these components is described in detail on the following pages.

1-on-1 Counseling Service Score Components		
	Weight	Your Score
a. Availability	50%	70.0
b. Field locations	20%	31.9
c. Wait times	20%	50.0
d. Capability	10%	40.0
<b>Weighted Total</b>	<b>100%</b>	<b>55.4</b>



## a. Availability

Your service score for availability was 70 out of 100. This was below the peer median of 95.



1. Scoring method		Your Data	Your Score
+ 70	if members counseled 1-on-1 as % of your active member is 1%* or more, otherwise 7,000 X number of members counseled 1-on-1 as a % of active members	3.2%	70.0
+ 25	if 1-on-1 counseling is freely available, without limitations	No	0.0
+ 5	if 1-on-1 counseling is available outside of normal working hours, otherwise 0	No	0.0
<b>Total score</b>			<b>70.0</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.

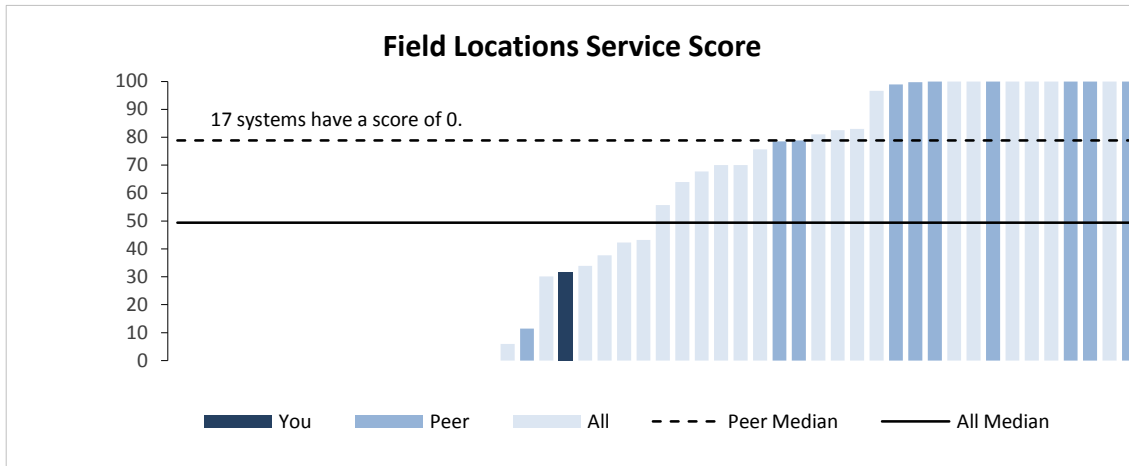
Members prefer freely available access to counseling with no time period limits, no limits on the number of sessions, etc.

## a. Availability

3. Survey questions used		You	Peer Avg
Q60	Total number of members counseled 1-on-1 (A)	8,401	14,230
Q5	Active Members (B)	266,629	296,887
	Members counseled 1-on-1 as a percentage of active members (A) / (B)	3.2%	4.7%
Q61	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	100% Yes
Q62	Do you limit 1-on-1 counseling by:		
	a) Requiring that members be within a certain time period of earliest possible retirement?	Yes	20% 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	0% Yes
Q65	Do you offer 1-on-1 counseling sessions after normal working hours, such as evenings and/or weekends?	No	53% Yes

## b. Field locations

Your service score for field locations was 32 out of 100. This was below the peer median of 79.



1. Scoring method		Your Data	Your Score
+ 70	if 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	0.7%	1.9
+ 30	if 75% or more of your 1-on-1 field sessions are held at locations separate from employer, otherwise 40 X % of field sessions separate from employer	100%	30.0
Total score			31.9

### 2. Rationale for the scoring method

A combination of in-house and in-field locations provides the best access for members to meet with you.

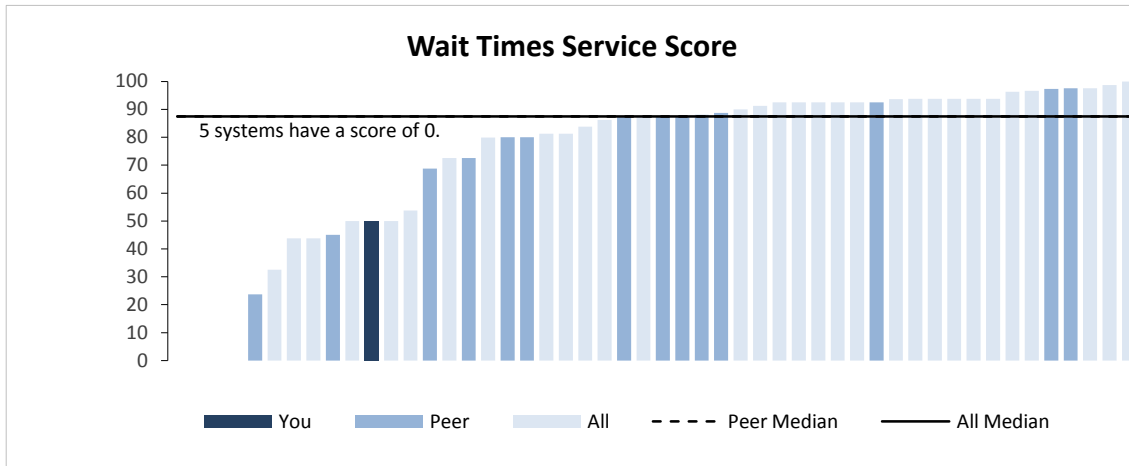
Field locations separate from the employer are preferred because they help preserve confidentiality and privacy.

## b. Field locations

3. Survey questions used		You	Peer Avg
Q60	Provide the number of members counseled 1-on-1 that were:		
	b) In field at locations separate from the member's place of employment? (A)	57	5,730
	c) At member's place of employment?	<u>0</u>	<u>1,146</u>
	Total number of members counseled 1-on-1 in the field (B)	57	6,265
	% of 1-on-1 field sessions separate from employer (A) / (B)	100%	54%
	Total number of members counseled 1-on-1 (C)	8,401	14,230
	% of members counseled at 1-on-1 sessions held in the field (B) / (C)	0.7%	28.1%

## c. Wait times

Your service score for wait times was 50 out of 100. This was below the peer median of 88.



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]	32 days	0.0
+ 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]	25 min.	0.0
+ 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
Total score			50.0

### 2. Rationale for the scoring method

The shorter the wait times, the better.

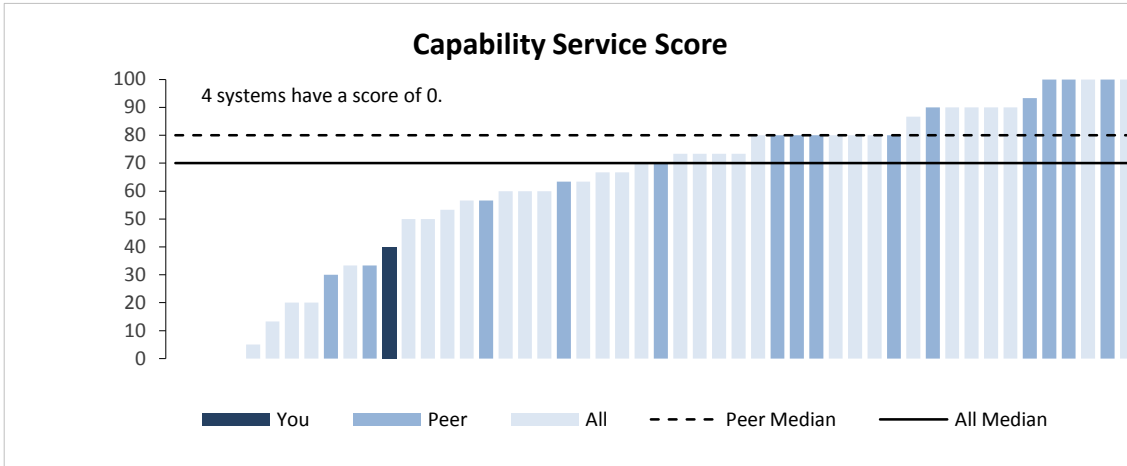
Some people like to be able to schedule an appointment. Also, a pre-scheduled session gives you the opportunity to prepare in advance.

### c. Wait times

3. Survey questions used		You	Peer Avg
Q63	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)	25	9 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 is too long?	0.0%	1.1%
Q64	Do you offer prescheduled 1-on-1 counseling?	Yes	93% Yes
	How long does a member that requests a pre-scheduled counseling session typically have to wait, in days, before he can meet with a counselor for 1-on-1 counseling session that takes place:		
	a) In-house?	32	5 days

## d. Capability

Your service score for capability was 40 out of 100. This was below the peer median of 80.



1. Scoring method		Your Data	Your Score
+ 50	if you can provide a new written estimate during each of walk-in, pre-schedule 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-schedule 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-schedule 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

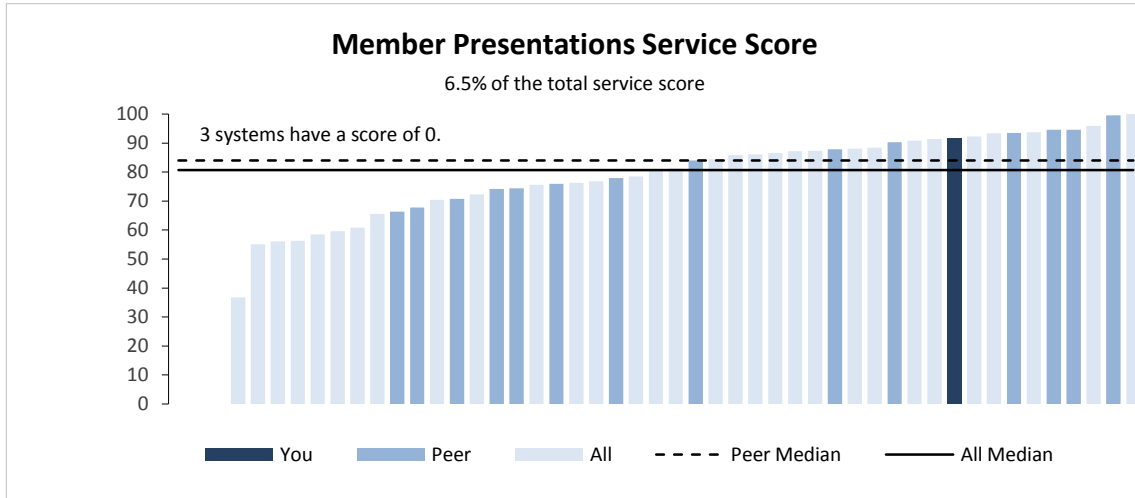
### 3. Survey questions used

		You	Peer Avg
Q67	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	77% Yes
	c) Can you provide new written estimates on a real-time basis for anybody that wants one?		
	c1) Walk-in traffic in-house?	Yes	100% Yes
	c2) Pre-scheduled in-house?	Yes	93% Yes
	c3) In-the-field?	No	77% Yes
	d) Can you provide accurate service credit purchase cost estimates 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	54% Yes
Q68	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 92 out of 100. This was above the peer median of 84.



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	4.5%	38.0
+ 16	if 95% or more of your presentations are held in the field, otherwise 16 X (percent field presentations / 95%)	47.6%	8.0
+ 5	if you offer presentations outside of normal working hours	Yes	5.0
+ 5	if you webcast presentations	Yes	5.0
<u>Group size</u>			
+ 22	if average of 20 attendees or fewer per presentation, otherwise 22 - 0.55 for each attendee over 20 [Subject to a minimum score of 0]	20.7	21.6
<u>Types</u>			
+ 12	if you have 4 or more different targeted types of presentations, otherwise 3 X 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>91.6</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

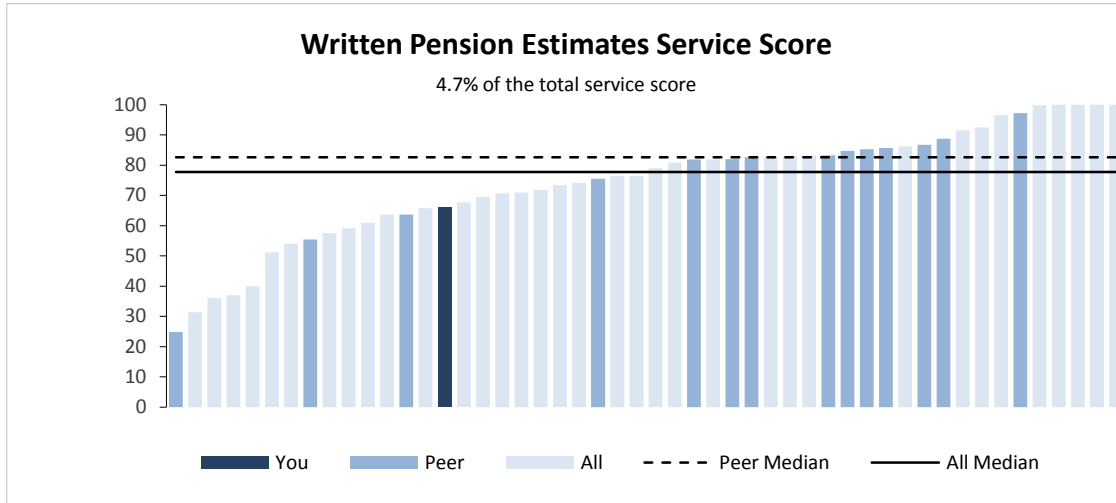
		You	Peer Avg
	<u>Availability</u>		
Q72	What was the total number of attendees at all of the presentations per question 71 above? [Exclude benefit fair attendees per question 70] (A)	11,959	12,647
Q5	Active Members (B)	266,629	296,887
	Attendees as a percent of active members (A) / (B)	4.5%	4.8%
Q71	How many presentations (including group counseling sessions) for members or annuitants [Exclude presentations to employers] did you do that took place: b) In the field? (C)	275	372
	Total Presentations (D)	578	426
	In the field presentations as a percent of total presentations (C) / (D)	47.6%	84.4%
Q75	Do you offer presentations after normal working hours, such as evenings and/or weekends?	Yes	100% Yes
Q74	Do you webcast presentations to members?	Yes	67% Yes
	<u>Group size</u>		
	Average number of attendees per presentation (A) / (D)	20.7	39.0

## 2D Presentations and Group Counseling

3. Survey questions used		You	Peer Avg
	<u>Types</u>		
Q73	Did you do specific presentations targeted solely for:		
	a) New members?	Yes	87% Yes
	b) Members in mid career?	Yes	73% Yes
	c) Members approaching retirement or ready to retire?	Yes	100% Yes
	d) Retirees?	Yes	67% Yes
	e) Other? (Please describe)	<u>No</u>	<u>73% Yes</u>
	Total presentation types	4	4
	<u>Coaching</u>		
Q76	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	80% Yes

## 2E Written Pension Estimates

Your service score for written benefit estimates was 66 out of 100. This was below the peer median of 83.

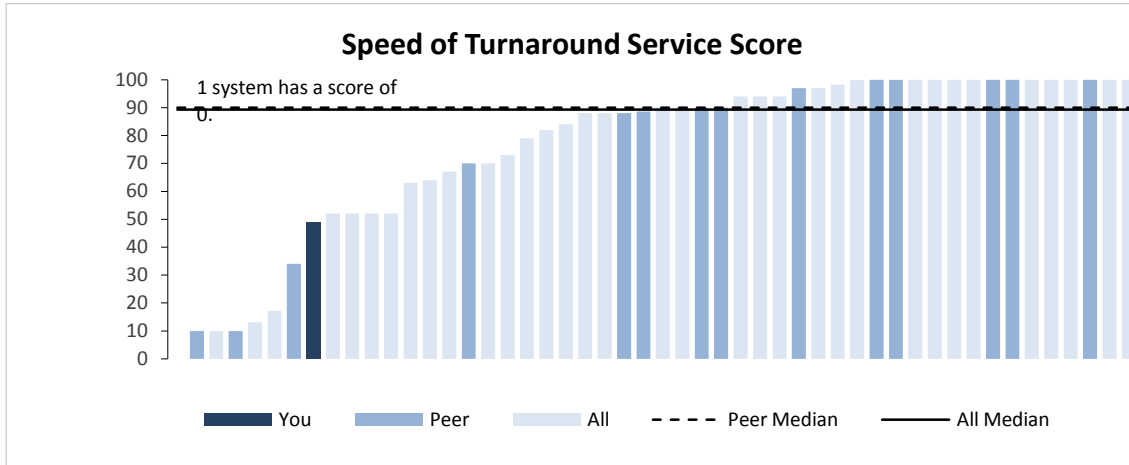


Your service score for 2e written pension estimates is the weighted total of the components shown in the table below. The methodology and data used to determine your scores for each of these components is described in detail on the following pages.

Written Pension Estimates Service Score Components		
	Weight	Your Score
a. Speed of turnaround	35%	49.0
b. Content	25%	100.0
c. Alternative channels	40%	60.0
<b>Weighted Total</b>	<b>100%</b>	<b>66.2</b>

## a. Speed of turnaround

Your service score for speed of turnaround was 49 out of 100. This was below the peer median of 90.



1. Scoring method	Your Data	Your Score
+ 90 if the the weighted average turnaround time for providing written estimates and online estimates* is less than 1 day, otherwise 90 - 3 for each day beyond 1 required to send estimates	18 day	39.0
+ 10 if you regularly measure the time to provide an estimate	Yes	10.0
<b>Total score [Subject to a minimum score of 0]</b>		<b>49.0</b>

\* online 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

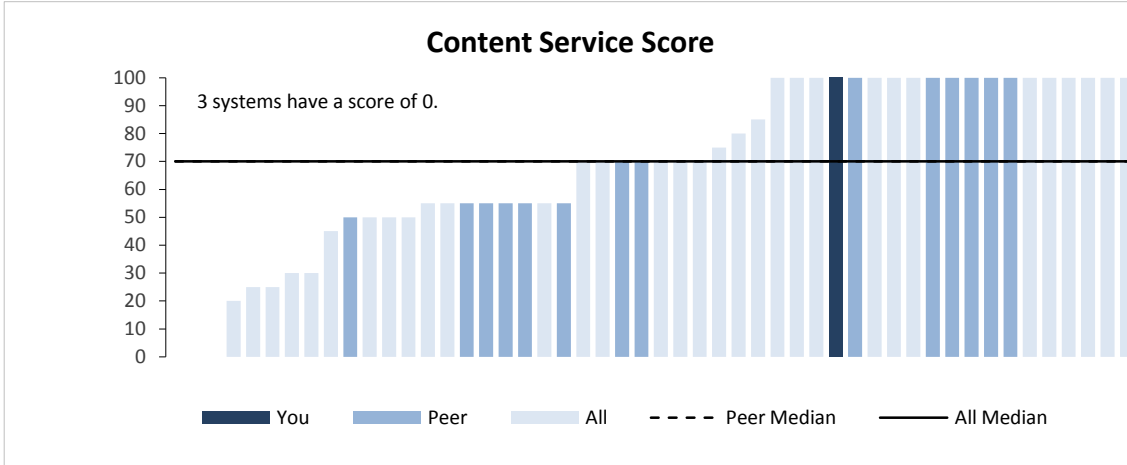
3. Survey questions used		You	Peer Avg
Q78	How many written estimates did you mail out pursuant to individual member requests? [Exclude estimates prepared during counseling sessions and not mailed in advance.] (A)	28,768	27,687
Q80	On average, how many days does it take to provide a written estimate from the time of initial request from a member? [Exclude time in the mail.] (B) a) Is this a number you regularly measure and track (versus being an estimate)?	18 days Yes	13 days 87% Yes
Q86	Indicate whether the following capabilities are available on your website and c) Benefit calculator in secure area linked to member's salary and service data? If yes, volume? (C) n) Apply for retirement?	No n/a No	73% Yes 211,533 33% Yes
	Weighted average estimate turnaround time $[(A \times B)/(A + C)]^1$	18 days <sup>2</sup>	11.5 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 on-line.

2. Were members able to apply for retirement online, your weighted average estimate turnaround time would have been reduced to 18.0 days.

## b. Content

Your service score for content was 100 out of 100. This was above the peer median of 70.



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 (not applicable to your System, so excluded)	Yes	15.0
+ 15	if you discuss alternative scenarios that could improve benefit	Yes	15.0
+ 40	if you model alternative retirement options	Yes	40.0
Total score			100.0

## b. Content

### 2. Rationale for the scoring method

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

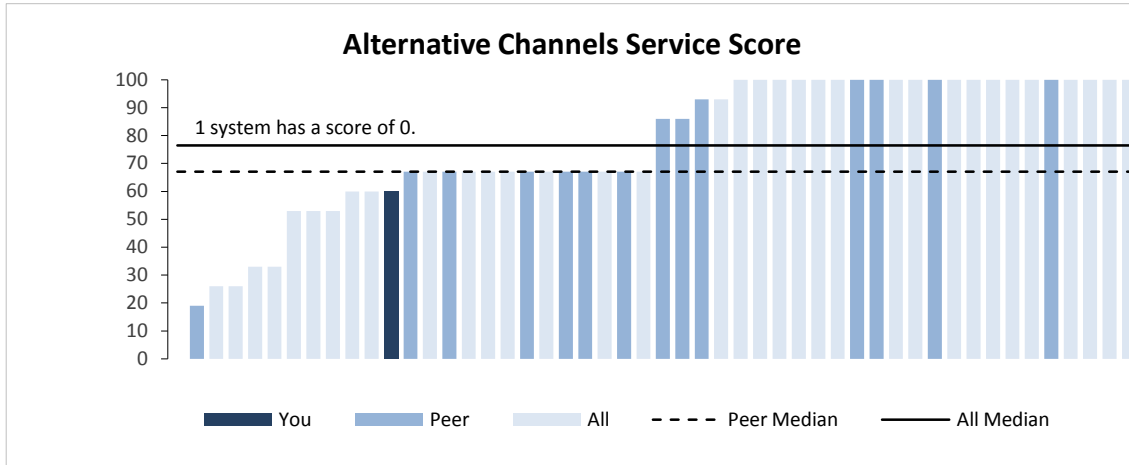
### 3. Survey questions used

		You	Peer Avg
Q83	Do your written annuity pension estimates (including cover letters, etc. sent with the estimate):		
	a) Clearly address if and how the pension benefit is inflation protected (or not protected)?	Yes	47% Yes
	b) If your pension is coordinated with or reduced by social security (or CPP in Canada) is the impact explained?	Yes	70% Yes
	c) Discuss alternative scenarios that could improve the benefit such as purchasing service credit or working longer?	Yes	80% 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 67.



1. Scoring method		Your Data	Your Score
+ 100	if you offer estimates by member statement, 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 estimates	Yes	-7.0
- 7	if you place a limit on the number of written estimates a member can request	No	0.0
Total score			60.0

## 2. Rationale for the scoring method

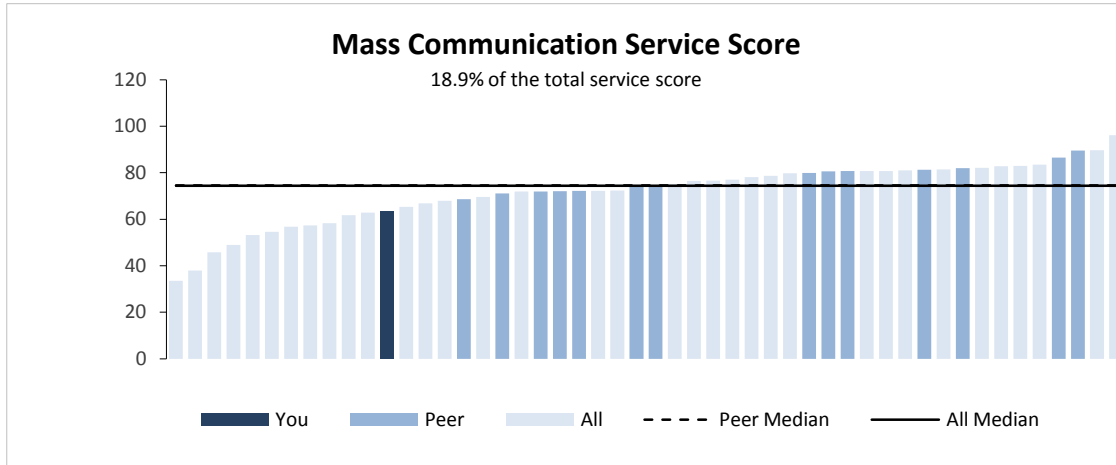
More choices in obtaining a pension estimate provides greater access and convenience for your members.

## c. Alternative channels

3. Survey questions used		You	Peer Avg
Q50	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 benefits at retirement?	No	73% Yes
Q81	Can members request and obtain a written 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 an estimate.]	No	73% Yes
Q82	Do you place a limit on the number of written estimates that a member can request?	No	27% Yes
Q86	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	73% Yes 20% Yes 73% Yes
Q96	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 63 out of 100. This was below the peer median of 75.

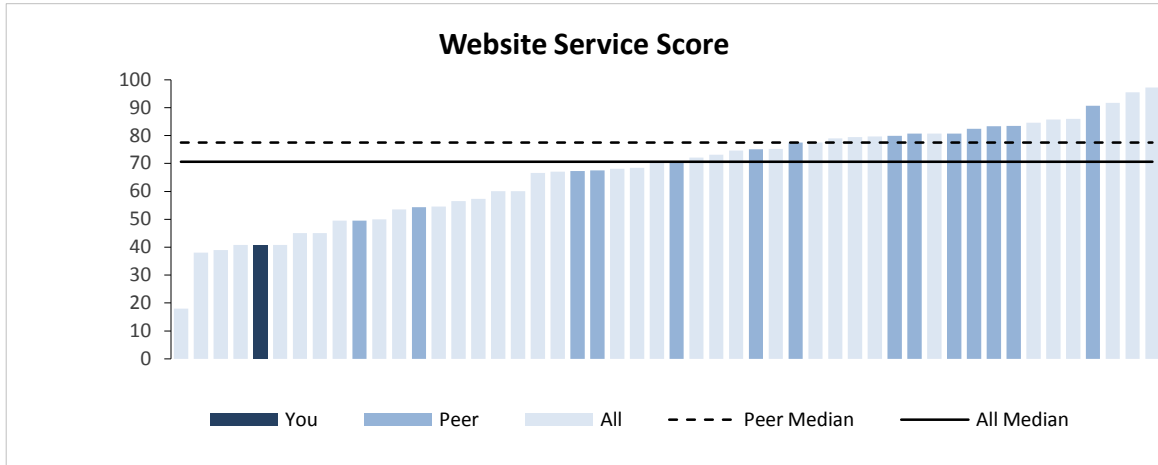


Your service score for 2f mass communication is the weighted total of the components shown in the table below. The methodology and data used to determine your scores for each of these components is described in detail on the following pages.

<b>Mass Communication Service Score Components</b>		
	Weight	Your Score
a. Website	40%	40.8
b. Newsletters	20%	80.0
c. Member statements	35%	82.8
d. Other mass communication	5%	42.0
<b>Weighted Total</b>	<b>100%</b>	<b>63.4</b>

## a. Website

Your service score for the website was 41 out of 100. This was below the peer median of 77.



## a. Website

1. Scoring method		Your Data	Your Score
<u>Design</u>			
+ 4	if members can get on-line immediately upon registering	No	4.0
+ 3	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	n/a	0.0
<u>Forms</u>			
+ 10	if all forms are available on-line, 9 if some, 0 if none	Some	9.0
<u>Benefit calculators</u>			
+ 20	if you have an interactive calculator on your website	Yes	20.0
+ 10	if the calculator is linked to member data	No	0.0
<u>Other transactions and tools</u>			
+ 36	if you offer each of the following 13 tools, otherwise 2.8 per tool		
	estimate the cost of purchasing service credit online	Yes	2.8
	register for counseling sessions and/or workshops	No	0.0
	change address information	No	0.0
	change beneficiaries	No	0.0
	change family status	No	0.0
	change annuity deposit banking information	No	0.0
	change tax withholding amount	No	0.0
	view or print tax receipts	No	0.0
	view payment stubs	No	0.0
	apply for retirement online	No	0.0
	check status of disability application	No	0.0
	view correspondence in a "secure mailbox"	No	0.0
	download member statement	No	0.0
	Total	1 Yes	2.8
<u>Salary and service credit</u>			
+ 5	if you offer secure access to both salary and service credit data	n/a	0.0
+ 5	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 of salary and service credit data is available	n/a	0.0
<u>Website downtime</u>			
+ 5	if your website was "down" less than 1% in the last fiscal year, 3 if less than 2%	1.0%	5.0
Total score			40.8

## 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 on-line, the better.

### 3. Survey questions used

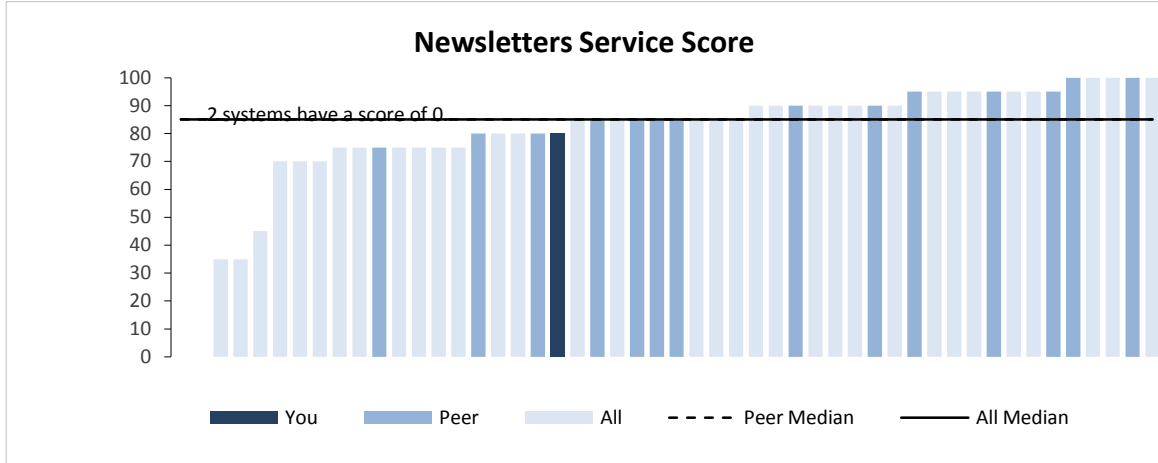
		You	Peer Avg
	<u>Design</u>		
Q85	Does your website have a secure member area where members can access their own data?	No	93% Yes
	c) If a member wants to register for the first time, does he/she have to wait for a password in the mail?	n/a	29% Yes
	d) Do you welcome the member by name on the home page of the secure member area?	n/a	86% Yes
	e) Are users required to acknowledge a disclaimer every time they log in or before they can generate a pension estimate?	n/a	36% Yes
	<u>Forms</u>		
Q84	Are all, some or none of your forms available online?	Some	47% All
	<u>Benefit calculators</u>		
Q86	Indicate whether the following capabilities are available on your website and provide volumes:		
	a) Benefit calculator in non-secure area?	Yes	73% 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	73% Yes

## a. Website

3. Survey questions used		You	Peer Avg
	<u>Other transactions and tools</u>		
Q86	Indicate whether the following capabilities are available on your website and provide volumes:		
	d) Service credit purchase calculator?	Yes	80% Yes
	f) Register for counseling sessions or presentations?	No	73% Yes
	g) Change address?	No	73% Yes
	h) Change beneficiary?	No	47% Yes
	i) Change family information? [i.e., marital status, partner, dependents]	No	33% Yes
	j) Change banking information for direct deposit?	No	27% Yes
	k) Change tax withholding amount?	No	47% Yes
	l) Download or print duplicate tax receipts? [i.e., 1099s in the U.S.]	No	73% Yes
	m) View annuity payment details? [i.e., gross amounts, deductions]	No	87% Yes
	n) Apply for retirement?	No	33% Yes
	o) View status of disability application?	No	7% Yes
	p) Secure mailbox?	No	47% Yes
	q) Download member statement (i.e., Adobe format)?	No	67% Yes
	<u>Salary and service credit</u>		
	r) View pensionable earnings and/or service without downloading?	No	87% Yes
	r1) Are both salary and service data available?	n/a	100% Yes
	r2) Is online data up-to-date to the most recent pay period?	n/a	69% Yes
	r3) Is a complete annual history from the beginning of employment provided?	n/a	69% Yes
	<u>Website downtime</u>		
Q87	What was the percentage "down-time" when your website was unavailable for any reason last year?	1.0%	0.9%

## b. Newsletters

Your service score for newsletters was 80 out of 100. This was below the peer median of 85.



1. Scoring method		Your Data	Your Score
<u>Active Members</u>			
+ 35	if you send newsletters to active members 2 or more times per year, 25 if 1 time, 0 otherwise	3 times	35.0
+ 5	If newsletters mailed directly to the member's home	No	0.0
<u>Annuitants</u>			
+ 35	if you send newsletters to annuitants 2 or more times per year, 25 if 1 time, 0 otherwise	3 times	35.0
<u>Inactive Members</u>			
+ 10	if you send a newsletter to inactive members at least annually	1 time	10.0
<u>Electronic</u>			
+ 5	if members can choose between receiving newsletters by email or mail	No	0.0
<u>Target</u>			
+ 10	if you have a separate newsletter targeted to active members and annuitants	No	0.0
<b>Total score</b>			<b>80.0</b>



## b. Newsletters

### 2. Rationale for the scoring method

Communicating more frequently by newsletter is higher service.

Communicating by newsletter to active members and annuitants is equally important. Inactive members are less important.

Allowing members to choose whether they receive newsletters at home or through employer is highest service. Alternatively, sending newsletters directly to active members' homes rather than through employers is higher service because the newsletters are less likely to get lost.

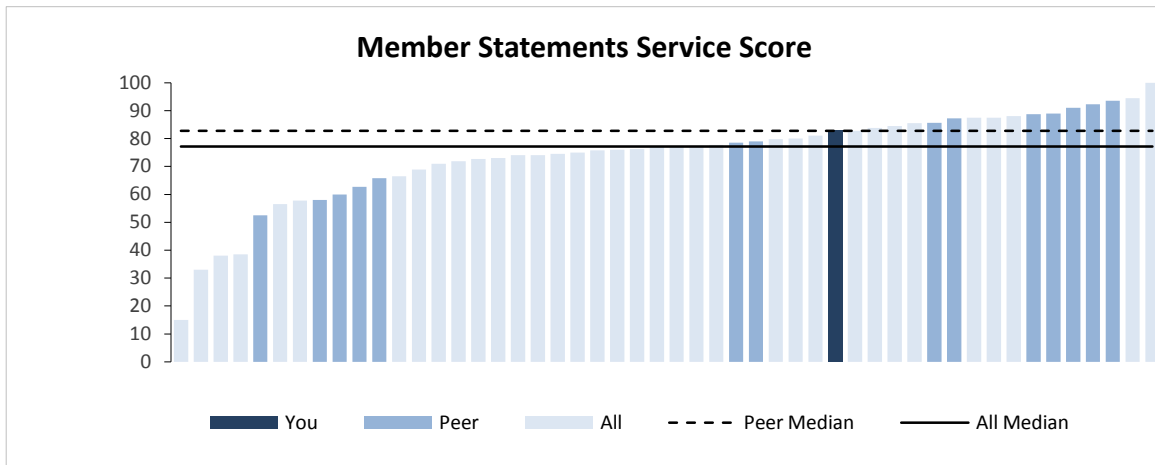
Providing the choice of paper or electronic delivery is higher service.

### 3. Survey questions used

		You	Peer Avg
Q88	Do you send newsletters (and/ or news magazines), and if yes how frequently, to:		
	a) Active members?	3 times	3 times
	b) Retired members?	3 times	3 times
	c) All inactive members?	1 time	2 times
Q89	Indicate the approximate percentage breakdown of how you send newsletters to active members:		
	a) Directed through the employer?	100.0%	24.9%
	b) Mailed directly to members' homes?	0.0%	61.3%
	c) Emailed to members?	0.0%	13.7%
Q90	Can members choose between receiving newsletters by email versus mail?	No	40% Yes
Q91	Do you have a different newsletter for active and retired members?	No	93% Yes

## c. Member statements

Your service score for member statements was 83 out of 100. This was equal to the peer median.



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]	0.5%	8.8
+ 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]	4.0	9.0
+ 5	if member statements sent directly to the member's home	Yes	5.0
+ 5	if email notice to members that the statement is available in the secure member area	No	0.0
+ 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
Total score			82.8

## 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.

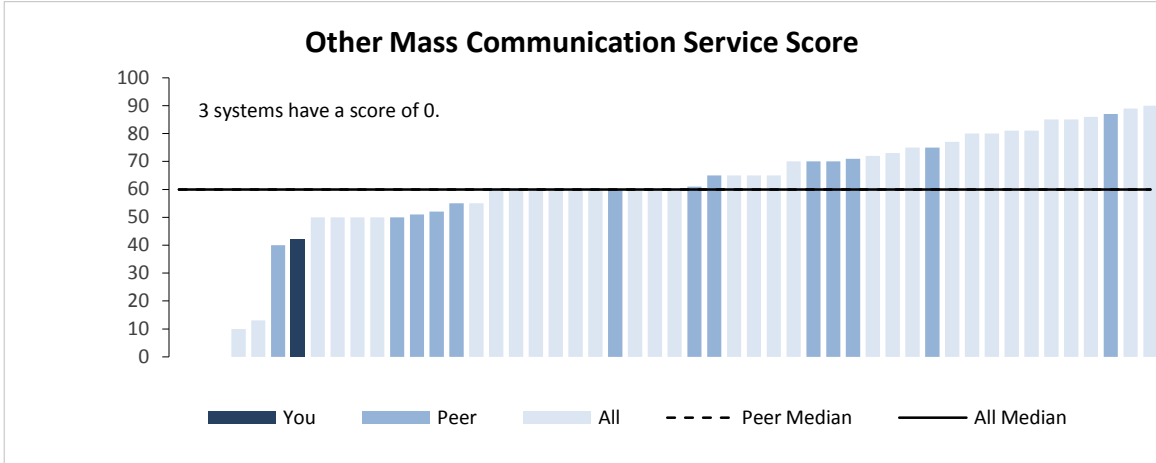
Allowing members to choose whether they receive member statements at home or through employer is highest service. Alternatively, sending member statements directly to active members' homes rather than through employers is higher service because the statements are less likely to get lost.

### 3. Survey questions used

		You	Peer Avg
Q92	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
Q93	Approximately what % of members complain about the accuracy of data in their member statements?	0.5%	0.6%
Q94	Indicate the approximate percentage breakdown of how you send member statements to active members:		
	a) Directed through the employer?	84.0%	10.9%
	b) Mailed directly to members' homes?	16.0%	66.6%
	c) Email notice to members that the statement is available in the secure member area?	0.0%	29.1%
Q95	On average, how current is an active member's data in the statements that the member receives (in months)?	4.0	3 months
Q96	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	53% Yes
	d) The refund value if you left at the statement date?	Yes	87% 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

## d. Other mass communication

Your service score for other mass communication was 42 out of 100. This was below the peer median of 60.



1. Scoring method		Your Data	Your Score
<u>Milestone event communication</u>			
+ 40	if you issue a 'welcome' kit to new members	Yes	40.0
+ 10	if you send letters when members become vested for pension benefits	No	0.0
+ 10	if you send letters when members become eligible for retirement	No	0.0
<u>Feedback</u>			
+ 10	if you solicit member feedback on your publications through focus groups, or surveys	No	0.0
<u>Translation</u>			
+ 5	if you publish member statements, annual report, newsletters, website and brochures in a language other than English, otherwise 1 for each publication translated	2 options	2.0
<u>General communication</u>			
+ 15	if you send a brochure with a complete summary of benefits every year	No	0.0
+ 5	if you send a summary annual report to active members	No	0.0
+ 5	if you send a summary annual report to retirees	No	0.0
Total score			42.0

## d. Other mass communication

### 2. Rationale for the scoring method

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

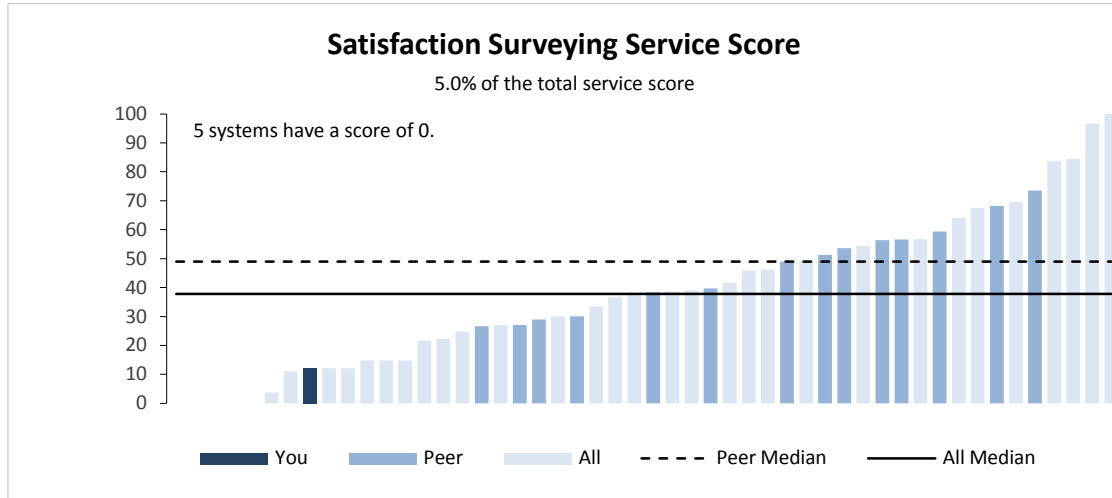
Actively soliciting feedback on your communication materials should lead to better materials.

### 3. Survey questions used

		You	Peer Avg
Q97	Are new members issued a 'welcome' kit describing their benefits?	Yes	93% Yes
Q98	Do you send your members a general brochure with a complete summary of the benefits every year?	No	27% Yes
Q99	Do you prepare and send a stand-alone summary of the annual report to:		
	a) All active members?	No	33% Yes
	b) All retirees?	No	33% Yes
Q100	Do you automatically send out letters informing members when they become, or are about to become:		
	a) Vested for pension benefits?	No	27% Yes
	c) Eligible for retirement?	No	33% Yes
Q101	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	7% Yes
	c) Surveys sent to members who request a publication?	No	7% Yes
	d) Other (describe)	No	40% Yes
Q102	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?	Yes	7% Yes
	b) Annual report?	No	0% Yes
	c) Newsletters?	Yes	20% Yes
	d) Website?	No	13% Yes
	e) Brochures and pamphlets?	No	20% Yes

## Satisfaction Surveying

Your service score for satisfaction surveying was 12 out of 100. This was below the peer median of 49.



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	18%	No	0.0
b. Member presentations	12%	Yes	100.0
c. Member telephone calls	13%	No	0.0
d. Pension inception	18%	No	0.0
e. Written pension estimates	11%	No	0.0
f. Website - secure member area	8%	No	0.0
g. Withdrawals and transfers-out	1%	No	0.0
h. Purchases and transfers-in	7%	No	0.0
i. Disability	10%	No	0.0
<b>Weighted total</b>	<b>100%</b>		<b>12.2</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	
+ 36 if survey focuses primarily on 1-on-1 counseling.	n/a	0.0
+ 36 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
+ 18 if surveys are continuous or more than 26 times per year, otherwise 18 X 80% if monthly, 50% if quarterly, 25% if once per year.	n/a	0.0
+ 10 if you can summarize results by service representative.	n/a	<u>0.0</u>
Total		0.0
<b>b. Member presentations</b>		
If you survey satisfaction with member presentations:	Yes	
+ 36 if survey focuses primarily on member presentations.	Yes	36.0
+ 36 if the greatest length of time between the survey and the presentation is 14 days or less .	0	36.0
+ 18 if surveys are continuous or more than 26 times per year, otherwise 18 X 80% if monthly, 50% if quarterly, 25% if once per year.	days continuous	18.0
+ 10 if you can summarize results by service representative.	Yes	<u>10.0</u>
Total		100.0
<b>c. Member telephone calls</b>		
If you survey satisfaction with member telephone calls:	No	
+ 36 if survey focuses primarily on member telephone calls.	n/a	0.0
+ 36 if the greatest length of time between the survey and the telephone call is 14 days or less.	n/a	0.0
+ 18 if surveys are continuous or more than 26 times per year, otherwise 18 X 80% if monthly, 50% if quarterly, 25% if once per year.	n/a	0.0
+ 10 if you can summarize results by service representative.	n/a	<u>0.0</u>
Total		0.0
<b>d. Pension inceptions</b>		
If you survey satisfaction with pension inceptions:	No	
+ 40 if 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 26 times per year, otherwise 20 X 80% if monthly, 50% if quarterly, 25% if once per year.	n/a	<u>0.0</u>
Total		0.0

## Satisfaction Surveying

1. Scoring method (continued)	Your Data	Your Score
<b>e. Written pension estimates</b>		
If you survey satisfaction with written benefit estimates:	No	
+ 40 if 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 26 times per year, otherwise 20 X 80% if monthly, 50% if quarterly, 25% 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 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
+ 20 if surveys are continuous or more than 26 times per year, otherwise 20 X 80% if monthly, 50% if quarterly, 25% if once per year.	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).	n/a	<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 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 26 times per year, otherwise 20 X 80% if monthly, 50% if quarterly, 25% if once per year.	n/a	<u>0.0</u>
Total		0.0
<b>h. Purchases and transfers-in</b>		
If you survey satisfaction with purchases and transfers-in:	No	
+ 40 if 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 26 times per year, otherwise 20 X 80% if monthly, 50% if quarterly, 25% if once per year.	n/a	<u>0.0</u>
Total		0.0



## Satisfaction Surveying

1. Scoring method (continued)		Your Data	Your Score
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 26 times per year, otherwise 20 X 80% if monthly, 50% if quarterly, 25% 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), 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.

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.

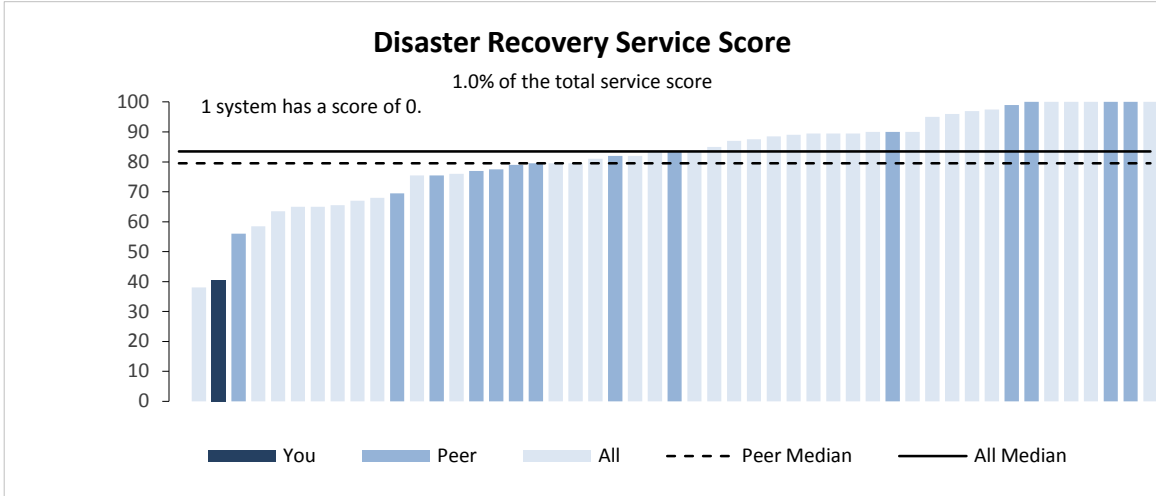
If the survey is a menu item that users need to find and select, you will only receive feedback from extremely motivated users. This feedback can be useful, albeit biased.

## Satisfaction Surveying

3. Survey questions used					
	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? (versus 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?
<b>Q124</b>					
<b><u>Your Responses</u></b>					
1-on-1 counseling	No	n/a	n/a	n/a	n/a
Member presentations	Yes	Yes	0	continuous	Yes
Member telephone calls	No	n/a	n/a	n/a	n/a
Pension inception	No	n/a	n/a	n/a	n/a
Written benefit estimates	No	n/a	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	n/a
Purchases and transfers-in	No	n/a	n/a	n/a	n/a
Disability	No	n/a	n/a	n/a	n/a
<b><u>Peer Responses</u></b>					
1-on-1 counseling	87% Yes	92% Yes	7	100% ≥ 12	62% Yes
Member presentations	100% Yes	100% Yes	6	93% ≥ 12	87% Yes
Member telephone calls	67% Yes	60% Yes	134	50% ≥ 12	70% Yes
Pension inception	67% Yes	70% Yes	80	60% ≥ 12	
Written benefit estimates	47% Yes	29% Yes	25	83% ≥ 12	
Website - secure member area	47% Yes	43% Yes	106	57% ≥ 12	
Withdrawals and Transfers-out	27% Yes	50% Yes	106	75% ≥ 12	
Purchases and transfers-in	40% Yes	50% Yes	88	80% ≥ 12	
Disability	40% Yes	50% Yes	136	67% ≥ 12	
<b>Q125</b>					
				<b>You</b>	<b>Peer</b>
If you surveyed satisfaction regarding the secure member area on your website, was the survey electronic (i.e., email or web based)?				No	45% 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	100% Yes
b1) If yes, do you survey all visitors (meaning the same unique user can be surveyed				n/a	50% Yes

## Disaster Recovery

Your service score for disaster recovery was 41 out of 100. This was below the peer median of 80.



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]	12 days	7.5
+ 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 days	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]	35 days	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 days	9.5
+ 10	if you have an independent auditor that reviews and tests the disaster recovery plan	No	0.0
Total score			40.5

## Disaster Recovery

### 2. Rationale for the scoring method

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

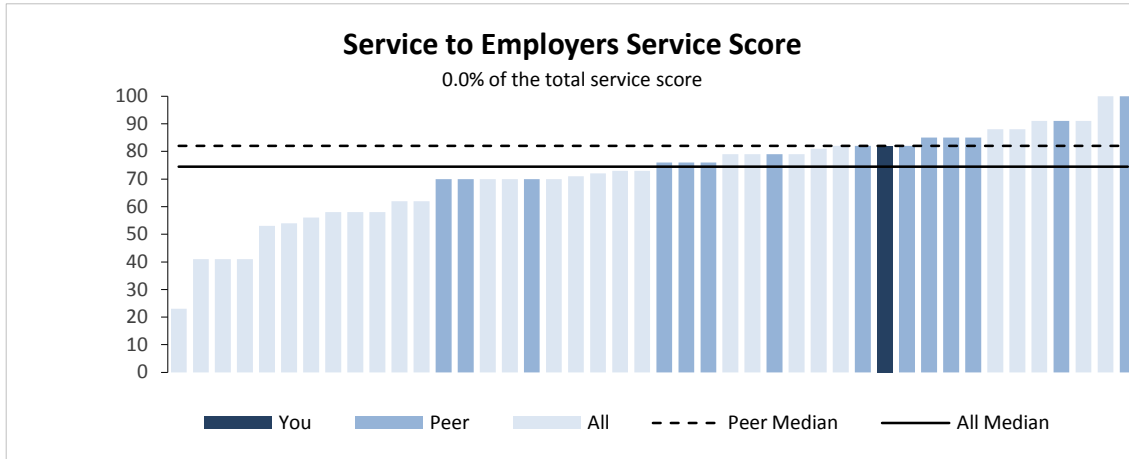
### 3. Survey questions used

		You	Peer Avg
Q120	Do you have back-up equipment and premises arranged for your operations if substantial damage occurs at your principal location?	Yes	93% Yes
Q121	Do you have an independent auditor that reviews and tests the disaster recovery plan?	No	40% Yes
Q122	If your principal location became inoperable due to some disaster (such as fire, tornado, etc), how long would it take in days for you to:		
	a) Continue paying pension payments to retirees?	12 days	3 days
	b) Begin doing new pension inceptions at normal volumes?	25 days	10 days
	c) Collect data and money from employers?	35 days	7 days
	d) Respond to member calls at close to current service levels?	3 days	6 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 will do research to try to come up with 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 82 out of 100. This was equal to the peer median.



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	11	12.0
+ 12	if you send newsletters for employers 4 or more times per year, otherwise 3 X newsletter frequency	35	12.0
<u>Satisfaction and service agreements</u>			
+ 12	if you do satisfaction surveying more than 26 times per year, otherwise 9.6 if monthly, 6 if quarterly, 3 if once per year.	Continuous	12.0
+ 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
+ 6	if the software integrates collections and billing	No	0.0
+ 6	if the software provides real time error checking and feedback	No	0.0
<b>Total score</b>			<b>82.0</b>

## 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
Q113	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
Q114	How many different types of presentations did you give to employers?	11	7
Q115	Do you have a newsletter dedicated to employers that is different from the newsletter for members?	Yes	100% Yes
	a) If yes, how many times did you prepare and send an employer dedicated newsletter last year?	35	12
Q116	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	20% Yes
Q117	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	93% Yes
	b) Can the software integrate both data collection and billing?	No	80% 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	53% Yes
Q118	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
Q124	a) Did you survey satisfaction regarding this activity in your most recently ended fiscal year?	Yes	60% Yes
	d) How often did you survey about the activity?	Continuous	44% ≥ 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 31.3 points (from 68.7 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 (0.94 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 or have the them available online</li> </ul>	+ 0.05
<ul style="list-style-type: none"> <li>You do not provide messages on the payment advice. To achieve a perfect service score, you must provide messages on the payment advice.</li> </ul>	+ 0.30
<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>	+ 0.34
<ul style="list-style-type: none"> <li>You provide 5 critical banking services. To achieve a perfect service score you must provide 7 or more critical banking services.</li> </ul>	+ 0.25
<b><u>1B Pension Inceptions (0.64 potential improvement to your total service score)</u></b>	
<ul style="list-style-type: none"> <li>99.0% 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>100.0% of your service pension inceptions are based on estimates which took an average of 6 month to finalize. To achieve a perfect service score you must either incept no pensions based on estimates, or if you do incept pension based on estimates do so on average in less than a month.</li> </ul>	+ 0.58
<ul style="list-style-type: none"> <li>99.0% 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 (0.22 potential improvement to your total service score)</u></b>	
<ul style="list-style-type: none"> <li>On average, you complete withdrawals in 60 days. To achieve a perfect service score, withdrawals must be completed in 30 days or less.</li> </ul>	+ 0.14
<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>	+ 0.08
<b><u>1D Purchases and Transfers-in (0.50 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 9 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>	+ 0.50

### **1E Disability (0.86 potential improvement to your total service score)**

- 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 less. + 0.86

### **2A Call Center (10.79 potential improvement to your total service score)**

- 8.9% of your incoming calls resulted in undesired outcomes, and 0.0% of your incoming calls resulted in irritating outcomes. To achieve a perfect service score, members must experience no undesired or irritating call outcomes. + 2.11
- On average, members calling your call center reach a knowledgeable person in 207 seconds. To achieve a perfect service score, members must reach a knowledgeable person on the phone in 20 seconds or less. + 5.15
- On average, your response time to member emails is 3 days. To achieve a perfect service score, members emails must be responded to in 0.5 day or less. + 0.57
- You have 2 menu layers. To achieve a perfect service score you must have no menu layers. + 1.27
- You provide 18 CRM capabilities. To achieve a perfect service score, you must provide all 25 CRM capabilities that are applicable to you. + 0.89
- 81.0% 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. + 0.32
- 10.3% of your incoming calls are placed on hold. To achieve a perfect service score, no calls can be placed on hold. + 0.04
- On average, you review your staff's responses to members calls 3 times per month. To achieve a perfect service score you must review your staff's responses to member calls for coaching purposes 4 or more times per month. + 0.42

### **2C 1-on-1 Counseling (3.30 potential improvement to your total service score)**

- You do not provide freely available 1-on-1 counseling without limitations. To achieve a perfect service score, 1-on-1 counseling must be freely available and without limitation. + 0.93
- 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
- 0.7% 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 32 days. To achieve a perfect service score there must be no wait time for pre-scheduled in-house counseling sessions. + 0.37
- Your average wait time for walk-in counseling was 25 minutes. To achieve a perfect service score there must be no wait time for walk-in counseling. + 0.37
- 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 (0.54 potential improvement to your total service**

- 47.6% of your presentations are held in the field. To achieve a perfect service score 95% or more of your presentations must be held in the field. + 0.52
- On average, you had 20.7 attendees per presentation. To achieve a perfect service score you must average 20 attendees per presentation or fewer. + 0.02

**2E Written Pension Estimates (1.59 potential improvement to your total service score)**

- You provide estimates on average in 18.0 days. To achieve a perfect service score, the weighted average time required to provide written and online estimates must be same day or less. + 0.84
- You offer estimates through member statements and website. To achieve a perfect service score you must offer estimates by 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 (4.48 potential improvement to your total service score)**

- 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 make all forms available on-line. To achieve a perfect service score all forms must be available to the member on-line. + 0.08
- Your interactive calculator is not linked to member data. To achieve a perfect service score you must link member data to your interactive calculator. + 0.76
- You offer 1 of the 13 website transactions and tools applicable to you. To achieve a perfect service score you must offer all 13 on-line transactions and tools. + 2.51
- 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. + 0.38
- 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. + 0.38
- 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. + 0.15

**2F Mass Communication - Newsletters (0.76 potential improvement to your total service score)**

- You do not mail newsletters directly to the member's home. To achieve a perfect service score newsletters must be mailed directly to the member's home. + 0.19
- You are not able to deliver newsletters electronically. To achieve a perfect service score you must be able to deliver newsletters electronically. + 0.19
- You do not have a separate newsletter targeted to active members and annuitants. To achieve a perfect service score your letters to active members and annuitants must target each specifically. + 0.38

**2F Mass Communication - Member Statements (1.14 potential improvement to your total service score)**

- Approximately 0.5% 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. + 0.08
- Your member statement data is current to 4 months. To achieve a perfect service score your member statement data must be current to one month or less. + 0.40
- 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. + 0.33
- You do not email notices to members that their member statements are available in the secure member area. To achieve a perfect service score you must make member statements available in the secure member area and email notices to members indicating that they are available. + 0.33

**2F Mass Communication - Other (0.55 potential improvement to your total service score)**

- You do not send letters when members become vested for pension benefits. To achieve a perfect service score you must send letters when members become vested for pension benefits. + 0.09
- You do not send letters when members become eligible for retirement. To achieve a perfect service score you must send letters when members become eligible for retirement. + 0.09
- You do not solicit member feedback on your publications through focus groups or surveys. To achieve a perfect service score you must solicit member feedback on your publications through focus groups or surveys. + 0.09
- You publish member statements and newsletters in more than one language. To achieve a perfect service score you must publish member statements, annual report, newsletters, website and brochures in a language other than English. + 0.03
- You do not send a brochure with a complete summary of benefits every year. To achieve a perfect service score you must send a brochure with a complete summary of benefits every year. + 0.14
- You do not send a summary annual report to active members. To achieve a perfect service score you must send a summary annual report to active members. + 0.05
- You do not send a summary annual report to retirees. To achieve a perfect service score you must send a summary annual report to retirees. + 0.05

**Satisfaction Surveying (4.39 potential improvement to your total service score)**

**a. 1-on-1 counseling (0.90 potential improvement to your total service score)**

- You did not do satisfaction surveying 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 delay between the counseling session and the survey is 14 days or less, (iii) surveys are continuous or occur more than 26 times per year, and (iv) you can summarize results by service representative. + 0.90

**c. Member telephone calls (0.67 potential improvement to your total service score)**

- You did not do satisfaction surveying for member telephone calls. To achieve a perfect service score you must do satisfaction surveying for member telephone calls where: (i) member telephone calls are the primary focus, (ii) the delay between the telephone call and the survey is 14 days or less, (iii) surveys are continuous or occur more than 26 times per year, and (iv) you can summarize results by service representative. + 0.67

- d. Pension inceptions (0.90 potential improvement to your total service score)
- You did not do satisfaction surveying 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 delay between the inception and the survey is 14 days or less, and (iii) the surveys are continuous or occur more than 26 times per year. + 0.90
- e. Written pension estimates (0.57 potential improvement to your total service score)
- You did not do satisfaction surveying 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 delay between the estimate and the survey is 14 days or less, and (iii) the surveys are continuous or occur more than 26 times per year. + 0.57
- f. Website - secure member area (0.42 potential improvement to your total service score)
- You did not do satisfaction surveying 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 delay 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 26 times per year, (iv) the survey was not a menu item, and (v) 100% of users are not surveyed. + 0.42
- g. Withdrawals & transfers-out (0.05 potential improvement to your total service score)
- You did not do satisfaction surveying 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 delay 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 26 times per year. + 0.05
- h. Purchases & transfers-in (0.37 potential improvement to your total service score)
- You did not do satisfaction surveying 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 delay between the purchases or transfer-in and the survey is 7 days or less, and (iii) the surveys are continuous or occur more than 26 times per year. + 0.37
- i. Disability (0.52 potential improvement to your total service score)
- You did not do satisfaction surveying for disability. To achieve a perfect service score you must do satisfaction surveying for disability where: (i) disability was the primary focus, (ii) the delay between the disability decision and the survey is 14 days or less, and (iii) the surveys are continuous or occur more than 26 times per year. + 0.52

**Disaster Recovery (0.60 potential improvement to your total service score)**

- Following a disaster, you can continue to make pension payments in 12 days. To achieve a perfect service score you must be able to continue making pension payments in 2 days or less. + 0.28
- 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. + 0.12
- Following a disaster, you can collect data and money from employers in 35 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

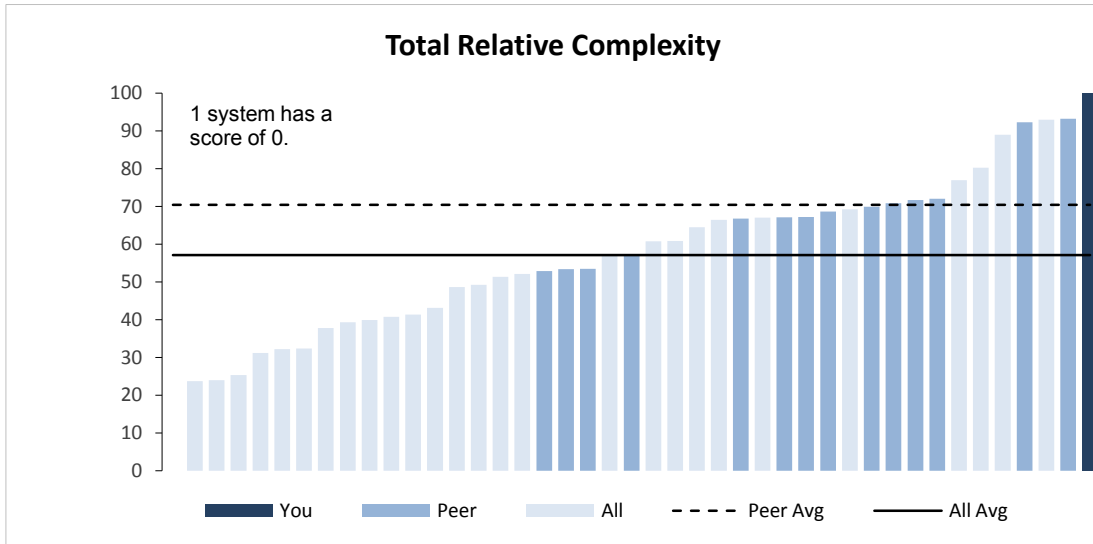
# Plan Complexity

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This section:

- Identifies causes of retirement system complexity
- Compares your system's complexity to your peers 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 extremely complex, so even a system that has a 0 total relative complexity score is still extremely 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 =*

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

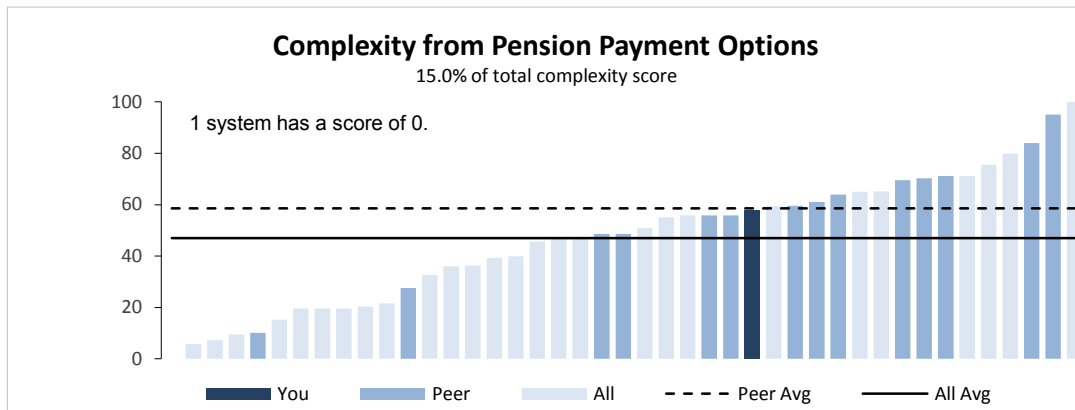
Often, complexity relationships are not linear. For example, the difference in complexity between a system with 1 retirement formula for all members versus a system with 10 different retirement formulas is much greater than the difference in complexity between a system with 10 retirement formulas and 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%	58	59	47
B Customization Choices	20.0%	81	20	19
C Multiple Plan Types and Overlays	10.0%	100	47	30
D Multiple Benefit Formula	16.0%	54	56	47
E External Reciprocity	3.0%	54	34	26
F COLA Rules	4.0%	12	34	33
G Contribution Rates	3.0%	62	54	49
H Variable Compensation	4.0%	100	83	80
I Service Credit Rules	3.0%	58	57	47
J Divorce Rules	3.0%	100	69	61
K Purchase Rules	5.5%	63	75	66
L Refund Rules	4.0%	31	50	43
M Disability Rules	6.0%	85	81	63
N Translation	0.5%	40	12	26
O Defined Contribution Plan Rules	3.0%	100	60	40
Weighted Average (before scaling)	100.0%	69	50	42
Scaled Total Complexity - Average		100	70	57
Scaled Total Complexity - Median		100	69	57

## A. Pension Payment Options Complexity



Weight	Relevant Complexity Questions and Scoring	You	Peer Avg	All Avg
10%	<p>Q142 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	7% Yes 7	9% Yes 9
30%	<p>Q137 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	87% Yes   27% Yes   93% Yes	81% Yes   23% Yes   63% Yes
10%	<p>Q138 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	3  61	5  54



## A. Pension Payment Options Complexity

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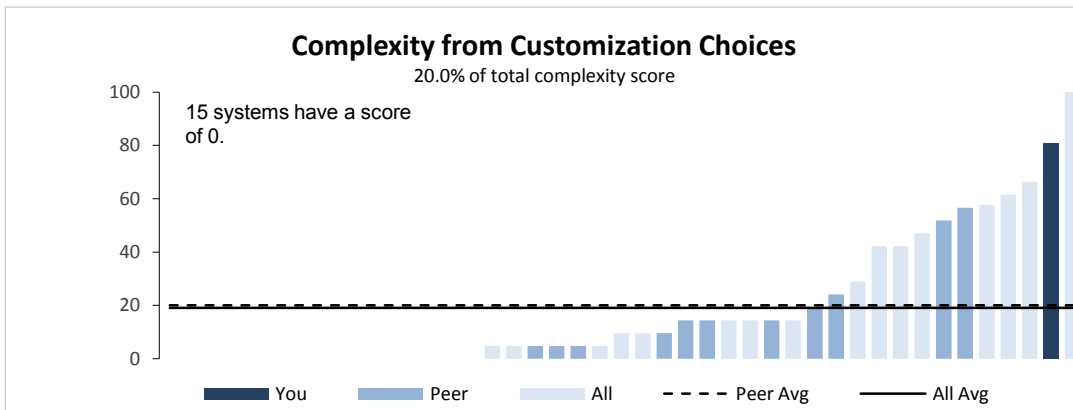
Weight	Relevant Complexity Questions and Scoring	You	Peer Avg	All Avg
10%	Q147 How many mortality tables do you keep track of for determining joint and survivor or beneficiary options? <i>Complexity: Scaled measure where the system that tracks the most mortality tables gets 100 and the least 0.</i>	1	15	7
		0	12	8
10%	Q139 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	40% Yes	49% Yes
		n/a	0% Yes	43% Yes
		n/a	83% Yes	95% Yes
		0	38	43
5%	Q140 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	7% Yes
		0	7	7
5%	Q141 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	51% Yes
		100	67	51
5%	Q143 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	2% Yes
		0	0	2

## A. Pension Payment Options Complexity

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Weight	Relevant Complexity Questions and Scoring	You	Peer Avg	All Avg
5%	<p>Q144 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	19% Yes 19
5%	<p>Q145 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	35% Yes 44
5%	<p>Q146 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	27% Any 27	40% Any 40
100%	<p>Weighted Average Scaled Complexity Score for Pension Payment Options</p>	42 58	42 59	34 47

## B. Customization Choices Complexity



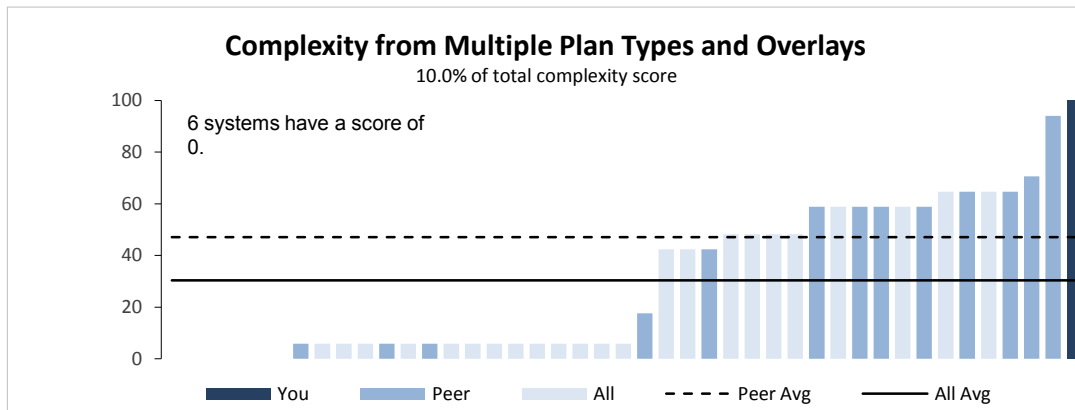
Weight	Relevant Complexity Questions and Scoring	You	Peer Avg	All Avg
Q178	Can either existing employers, or a new employer joining your system, choose:			
	a) Whether they offer early retirement, or a window of early retirement?	No	20% Yes	24% Yes
	b) Whether or not part-time employees are eligible?	No	7% Yes	14% Yes
	c) Whether employee contributions are paid pre or post tax?	No	53% Yes	24% Yes
	d) Whether they pay for employee contributions themselves, or not?	Yes	47% Yes	33% Yes
	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	20% Yes	17% Yes
	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	7% Yes	7% Yes
	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	13% Yes	17% Yes

## B. Customization Choices Complexity

page 2 of 2

Weight	Relevant Complexity Questions and Scoring	You	Peer Avg	All Avg
	<p>Q179 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 [i.e., 2% per year of service, 2.5% per year of service, etc]</p> <p>b) Final salary definition [i.e., 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 [i.e., 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 [i.e. 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 Q178 + sum of # of choices in Q179]</p>			
		n/a	n/a	6
		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	2	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>Q180 Can an existing employer change any of the choices (per question 179 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	21% Yes
10%		100	20	21
100%	Weighted Average	22	5	5
	Scaled Complexity Score for Customization Choices	81	20	19

## C. Multiple Plan Types and Overlays Complexity



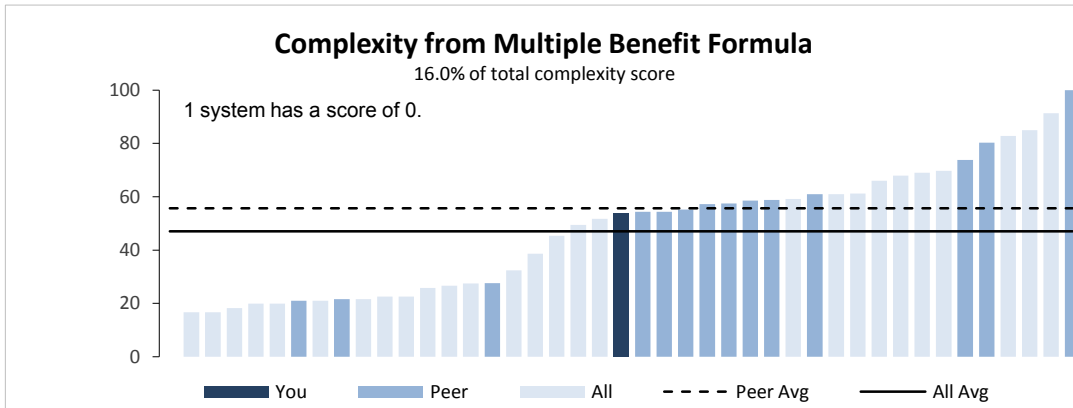
Weight	Relevant Complexity Questions and Scoring	You	Peer Avg	All Avg
	Q127 Which of the following descriptions best describes the non-optional benefit plans that you administer for each of your member groups:			
	a) Traditional Defined Benefit ("DB")?	No 87%	Yes 90%	Yes
	b) DC Cash Balance (aka Money Purchase)?	No 7%	Yes 2%	Yes
	c) Hybrid DB/ DC Cash Balance?	Yes 13%	Yes 6%	Yes
	d) Hybrid DB/ Money Match?	No 7%	Yes 2%	Yes
	e) DROP savings?	No 13%	Yes 7%	Yes
	f) Defined Contribution ("DC")?	No 20%	Yes 12%	Yes
	g) Hybrid DB/ DC?	Yes 60%	Yes 28%	Yes
	h) Other (describe)?	<u>No 7%</u>	<u>Yes 8%</u>	<u>Yes</u>
	Total number of different plan types. Hybrid plans count as 2 types.	4.0	2.9	2.0
45%	Complexity: 100 if 3 or more different plan types, 80 if 2, 0 if 1.	100	65	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>Q128 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	5% Yes 5
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	9% 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	7% Yes 7	7% Yes 7
5%	<p>Q129 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	67% Yes 67
100%	<p>Weighted Average</p> <p>Scaled Complexity Score for Multiple Plan Types and Overlays</p>	85 100	40 47	26 30

## D. Multiple Benefit Formula Complexity



Weight	Relevant Complexity Questions and Scoring	You	Peer Avg	All Avg
30%	Q151 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	6	6
		60	27	24
5%	Q152 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%	Q153 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
		62	76	69
25%	Q154 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	6	4
		53	35	27

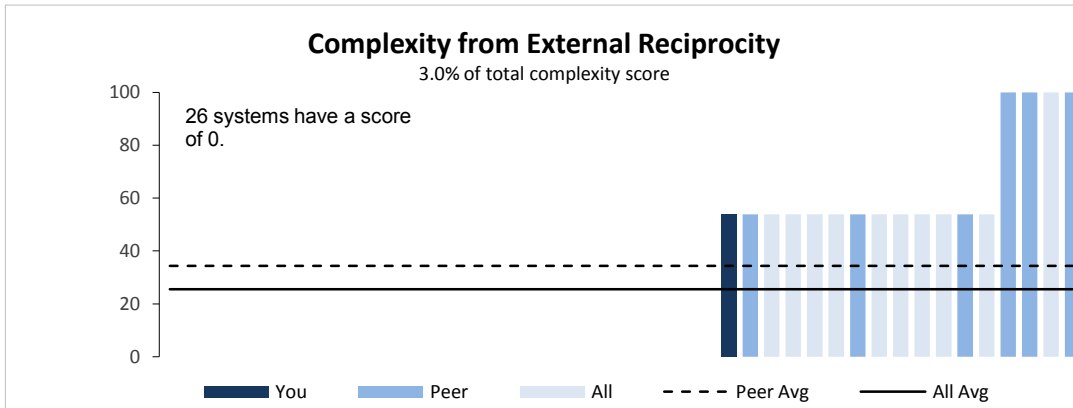
## D. Multiple Benefit Formula Complexity

page 2 of 2

Weight	Relevant Complexity Questions and Scoring	You	Peer Avg	All Avg
	<p>Q155 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	73% Yes	56% Yes
		n/a	36% Yes	58% Yes
		n/a	45% Yes	50% Yes
		n/a	18% Yes	17% Yes
		n/a	55% Yes	50% Yes
		n/a	20% Yes	30% Yes
20%	<i>Complexity: 100 if b or c apply, 80 if d or e, 60 if a, otherwise 0.</i>	0	67	50
100%	Weighted Average	49	50	43
	Scaled Complexity Score for Multiple Benefit Formula	54	56	47

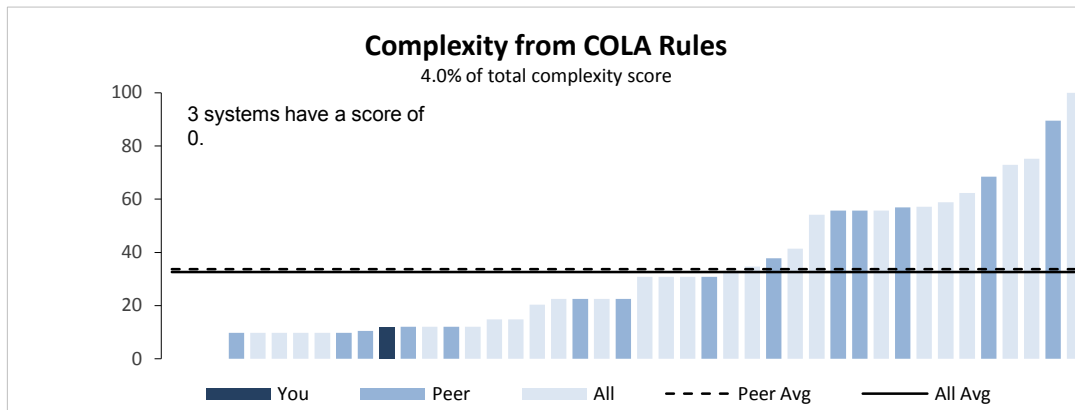


## E. External Reciprocity Complexity



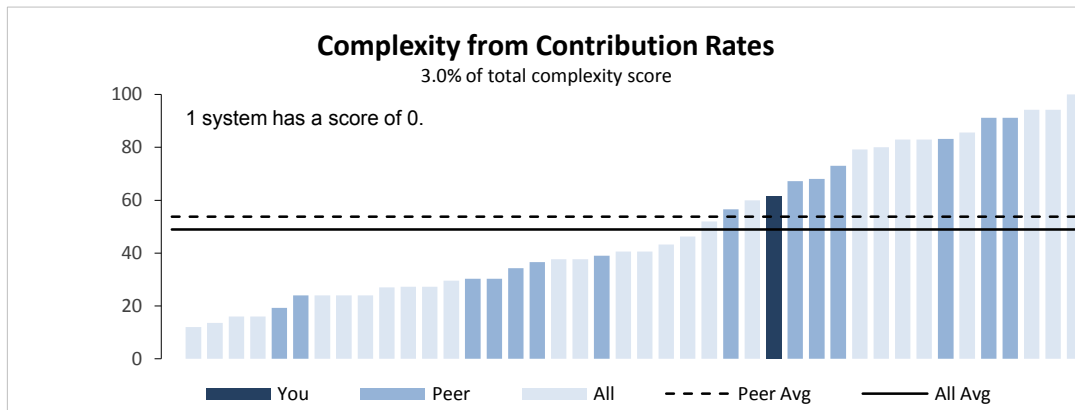
Weight	Relevant Complexity Questions and Scoring	You	Peer Avg	All Avg
35%	<p>Q156 Do you have agreements with external systems where you both agree to use the member's final salary from the system where the member worked immediately prior to retirement in the benefit calculation? Otherwise, each system pays the "dual" member a pension benefit based on its own rules for determining the benefit. Neither credit nor money are transferred between systems. <i>Complexity: 100 if yes, otherwise 0.</i></p>	Yes 100	27% Yes 27	30% Yes 30
65%	<p>Q157 Do you have agreements with external Systems where the member may combine internal and external credit to form one joint account? <i>Complexity: 100 if yes, otherwise 0.</i></p>	No 0	20% Yes 20	9% Yes 9
100%	<p>Weighted Average Scaled Complexity Score for External Reciprocity</p>	35 54	22 34	17 26

## F. COLA Rules Complexity



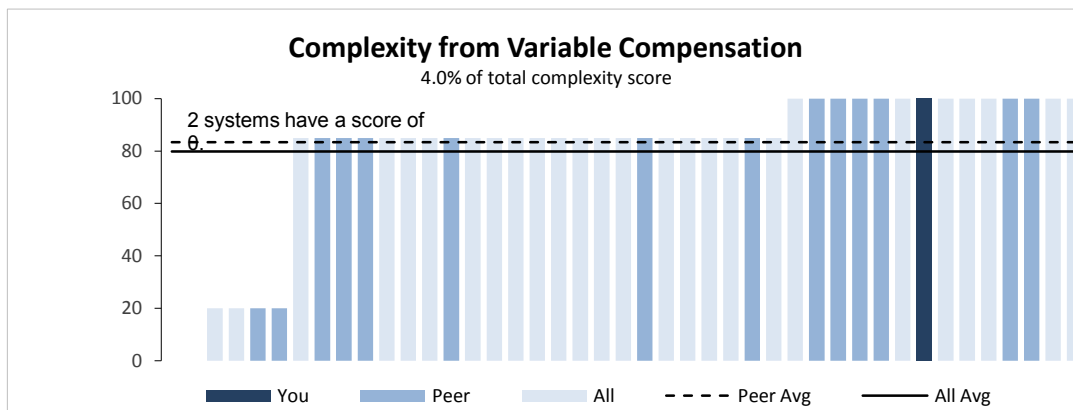
Weight	Relevant Complexity Questions and Scoring	You	Peer Avg	All Avg
20%	<p>Q148 How many different cost of living adjustment ("COLA") rule sets do you have for retired, and if applicable, inactive members? (These rule sets may be either contractual or legislated.) <i>Complexity: Scaled measure where the system with the most rule sets receives 100 and least receives 0.</i></p>	2	3	2
40%	<p>Q149 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	33% Yes 33	30% Yes 30
10%	<p>b) Conditional COLA based on the level of funding? <i>Complexity: 100 if yes, otherwise 0.</i></p>	No 0	33% Yes 33	33% Yes 33
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	13% Yes 13	14% Yes 14
5%	<p>Q150 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	13% Yes 13	26% Yes 26
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	50% Yes 7	82% Yes 21
100%	<p>Weighted Average Scaled Complexity Score for COLA Rules</p>	11 12	32 34	31 33

## G. Contribution Rates Complexity



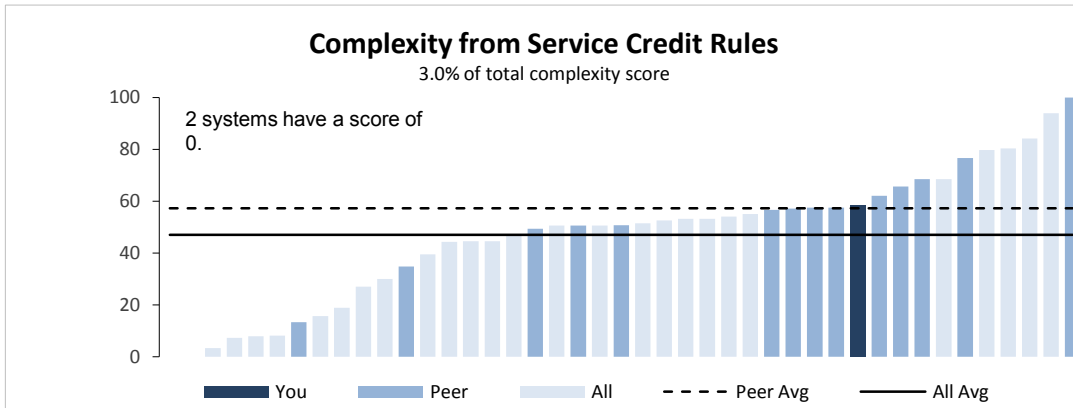
Weight	Relevant Complexity Questions and Scoring	You	Peer Avg	All Avg
40%	Q181 How many different contribution percentages do you collect from: a) Employers? [For example, single member group systems may have only one contribution percentage whereas some multi-plan systems may collect numerous different contribution rates from various participating employers.] <i>Complexity: 100 if 10 or more, otherwise 10 X number of contribution percentages subject to a maximum of 100.</i>	1474	458	188
	b) Members? <i>Complexity: 100 if 10 or more, otherwise 10 X number of contribution percentages subject to a maximum of 100.</i>	4	10	31
40%		40	39	46
	Q182 Which of the following payment methods for employee contributions occur in the plans that you administer: a) No employee contributions? b) Employer pays his part and also the employee contributions? c) Employer withholds employee contributions pre-tax from his salary?  d) Employer withholds employee contributions post-tax from his salary? <i>Complexity: 100 if all 4 methods are possible, 66 if 3 methods, 33 if 2 methods, 0 if 1 method.</i>	No Yes No Yes	33% Yes 60% Yes 93% Yes 80% Yes	30% Yes 53% Yes 88% Yes 49% Yes
17%		33	55	40
3%	Q183 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.] <i>Complexity: 100 if yes, otherwise 0.</i>	No 0	47% Yes 47	40% Yes 40
100%	Weighted Average	62	54	49
	Scaled Complexity Score for Contribution Rates	62	54	49

## H. Variable Compensation Complexity



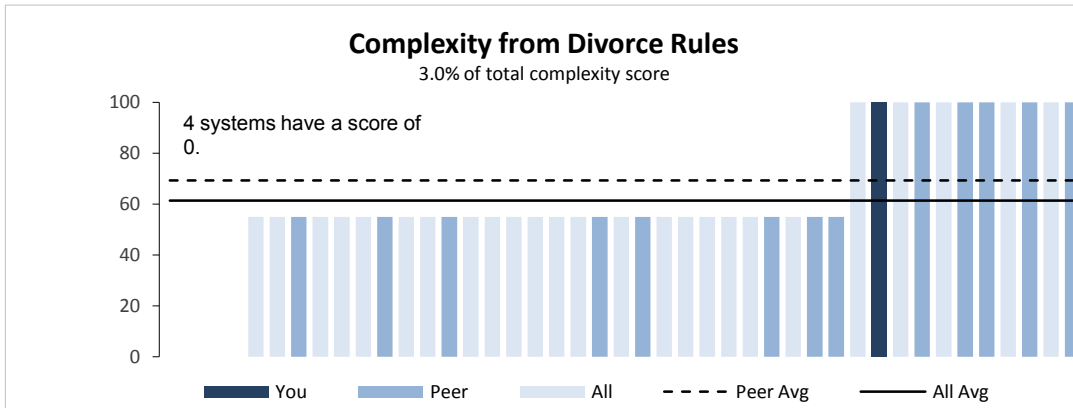
Weight	Relevant Complexity Questions and Scoring	You	Peer Avg	All Avg
20%	<p>Q176 Indicate which of the following forms of variable compensation are paid in your system. And, if paid, indicate whether all, some or none of that type of variable compensation is included in pensionable earnings.</p> <p>a) 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	93% Yes	91% Yes
		Yes	87% Yes	84% Yes
		Yes	93% Yes	81% Yes
		Yes	40% Yes	40% Yes
		100	100	95
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	15% All	14% All
		Some	8% All	17% All
		All	86% All	57% All
		All	34% All	24% All
		100	87	86
15%	<p>Q177 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	47% Yes	33% Yes
		100	47	33
100%	Weighted Average	100	83	80
	Scaled Complexity Score for Variable Compensation	100	83	80

# I. Service Credit Rules Complexity



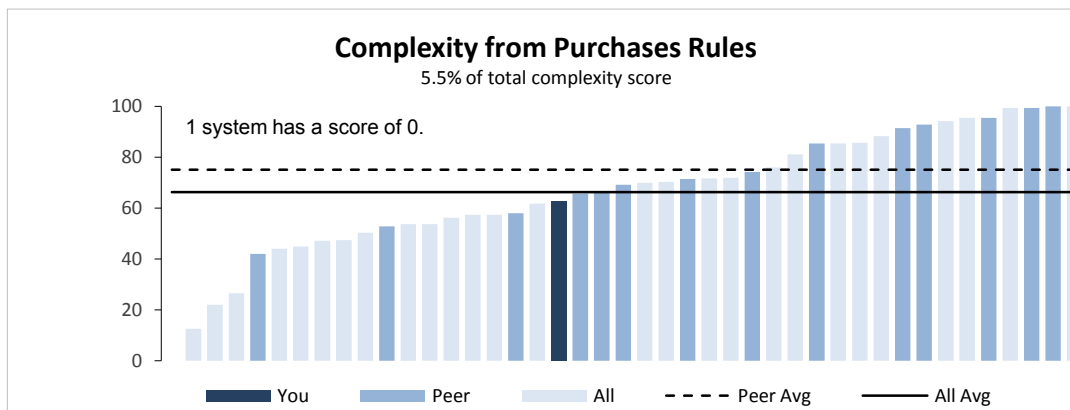
Weight	Relevant Complexity Questions and Scoring	You	Peer Avg	All Avg
30%	Q158 How many different definitions do you have for a "full year" of service credit? <i>Complexity: Scaled measure where the system with the most different definitions receives 100 and least receives 0.</i>	2	4	7
		6	13	13
30%	Q159 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	40% Yes 4	33% Yes 4
		21	16	14
5%	Q160 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	2	2
		0	58	54
30%	Q161 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	87% Yes 87	67% Yes 67
5%	Q162 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	88% Yes 88
100%	Weighted Average Scaled Complexity Score for Service Credit Rules	43 58	42 57	35 47

## J. Divorce Rules Complexity



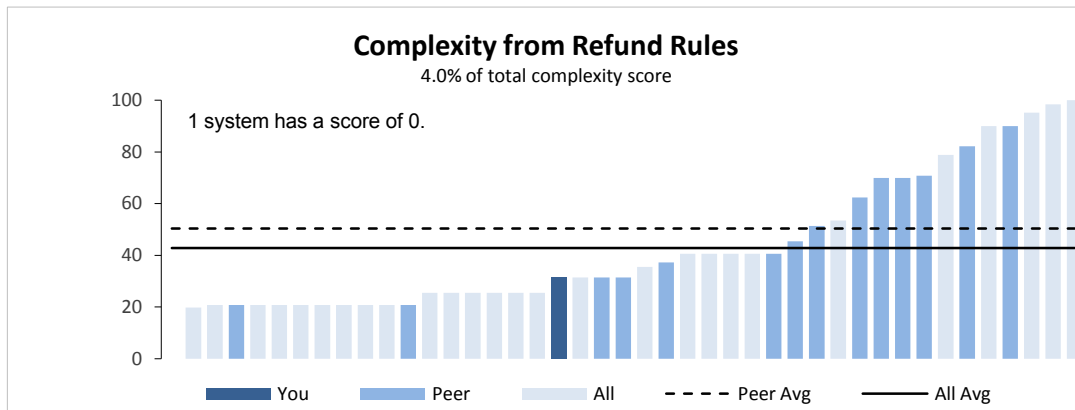
Weight	Relevant Complexity Questions and Scoring	You	Peer Avg	All Avg
100%	<p>Q190 Choose the statement that best describes how divorce settlements for active members (or divorce decrees or QDROS, or QILDROS, or Division of Benefit Orders, etc.) impact your system. If you have different rules for different 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>7% Yes</p> <p>69</p>	<p>12% Yes</p> <p>0% Yes</p> <p>63% Yes</p> <p>26% Yes</p> <p>9% Yes</p> <p>61</p>
100%	<p>Weighted Average</p> <p>Scaled Complexity Score for Divorce Rules</p>	<p>100</p> <p>100</p>	<p>69</p> <p>69</p>	<p>61</p> <p>61</p>

## K. Purchase Rules Complexity



Weight	Relevant Complexity Questions and Scoring	You	Peer Avg	All Avg
25%	<p>Q163 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 100% Yes 98% Yes</p> <p>Yes 100% Yes 89% Yes</p> <p>No 53% Yes 51% Yes</p> <p>No 67% Yes 67% Yes</p>		
		20	68	67
	<p>Q164 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	11
		49	78	66
25%	<p>Q165 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	80	71	
25%	<p>Q166 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 33% Yes 55% Yes</p> <p>Yes 60% Yes 43% Yes</p> <p>No 7% Yes 7% Yes</p>		
		50	37	28
	100%	<p>Weighted Average</p> <p>Scaled Complexity Score for Purchase Rules</p>	55	66
		63	75	66

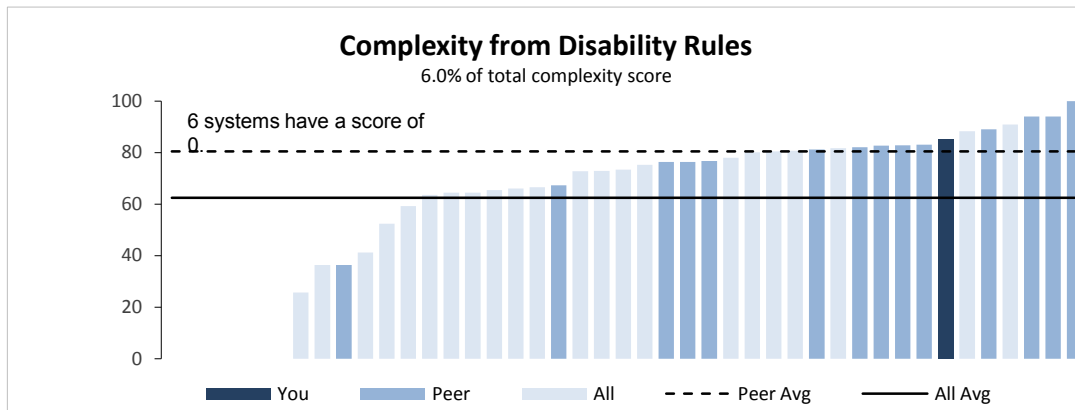
## L. Refund Rules Complexity



Weight	Relevant Complexity Questions and Scoring	You	Peer Avg	All Avg
67%	Q167 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	53% 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	3	3
	<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	30	24
33%	Q168 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>	85	76	67
100%	Weighted Average	28	45	38
	Scaled Complexity Score for Refund Rules	31	50	43



## M. Disability Rules Complexity



Weight	Relevant Complexity Questions and Scoring	You	Peer Avg	All Avg
20%	<p>Q31 Do you administer: a) Long-term disability/ disability pensions/ disability lump sums? <i>Complexity: 100 if you administer, otherwise 0.</i></p>	Yes 100	100% Yes 100	86% Yes 86
10%	<p>Q174 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>	4 35	8 39	5 28
5%	<p>Q31 Do you administer: b) Short-term disability?</p> <p>Q174 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 1 35	20% Yes 6 12	12% Yes 4 6
10%	<p>Q33 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 100	100% Yes 60% Yes 93	98% Yes 40% Yes 74

## M. Disability Rules Complexity

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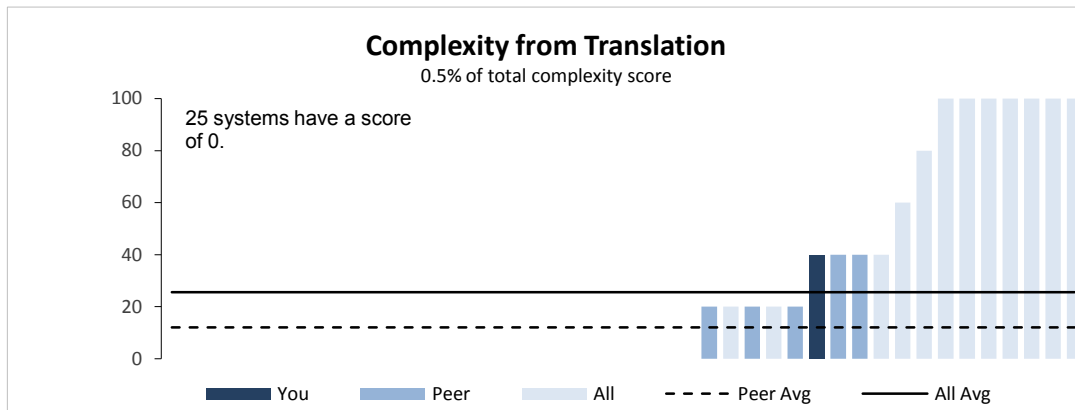
Weight	Relevant Complexity Questions and Scoring	You	Peer Avg	All Avg
10%	<p>Q136 b) Check income of disabled members after they have started receiving disability payments? <i>Complexity: 100 if yes, otherwise 0.</i></p>	Yes 100	93% Yes 93	66% Yes 56
10%	<p>Q170 Will you pay a disabled member that returns 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  No 0	20% Yes  7% Yes 17	17% Yes  6% Yes 14
15%	<p>Q171 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	93% Yes 93	89% Yes 77
10%	<p>Q172 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  Yes No 50	47% Yes  20% Yes  33% Yes 13% Yes 75	59% Yes  11% Yes  31% Yes 14% Yes 62

## M. Disability Rules Complexity

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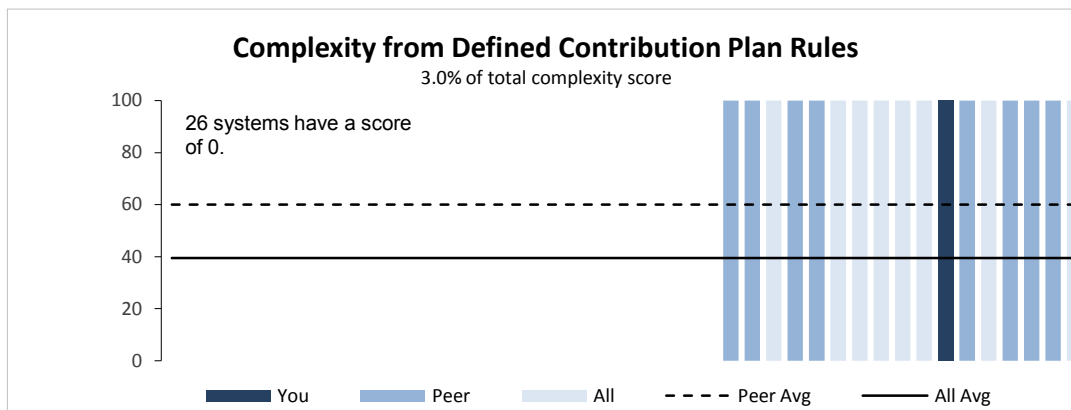
Weight	Relevant Complexity Questions and Scoring	You	Peer Avg	All Avg
5%	<p>Q173 If you administer short-term disability:</p> <p>a) Are the short-term and long-term disability/ disability pension processes closely entwined? [i.e., difficult to distinguish between costs of long-term/disability pensions 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>	Yes	75% Yes	83% Yes
		No	0% Yes	17% Yes
		Yes	75% Yes	67% Yes
		100	20	10
5%	<p>Q175 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	27% Yes
		Yes	73% Yes	49% Yes
		No	27% Yes	14% Yes
		No	13% Yes	8% Yes
		No	40% Yes	19% Yes
		Yes	20% Yes	11% Yes
		Yes	67% Yes	38% Yes
		<u>Yes</u>	<u>20% Yes</u>	<u>11% Yes</u>
		5	3	n/a
		93	64	38
95%	Weighted Average	75	71	55
	Scaled Complexity Score for Disability Rules	85	81	63

## N. Translation Complexity



Weight	Relevant Complexity Questions and Scoring	You	Peer Avg	All Avg
100%	<p>Q102 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? b) Annual report? c) Newsletters? d) Website? 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>Yes 7% No 0% Yes 20% No 13% No 20%</p>	<p>Yes 22% Yes 28% Yes 24% Yes 32% Yes 36%</p>	40
100%	<p>Weighted Average</p> <p>Scaled Complexity Score for Translation</p>	40	12	26

## O. Defined Contribution Plan Rules Complexity



Weight	Relevant Complexity Questions and Scoring	You	Peer Avg	All Avg
100%	Q127 Which of the following descriptions best describes the non-optional benefit plans that you administer for each of your member groups: f) Defined Contribution ("DC")? g) Hybrid DB/ DC? <i>Complexity: 100 if yes to f or g, otherwise 0.</i>	No 20% Yes 12% Yes 60% Yes 28% 100 60 40		
100%	Weighted Average Scaled Complexity Score for Defined Contribution Plan Rules	100	60	40

# IT and Major Projects

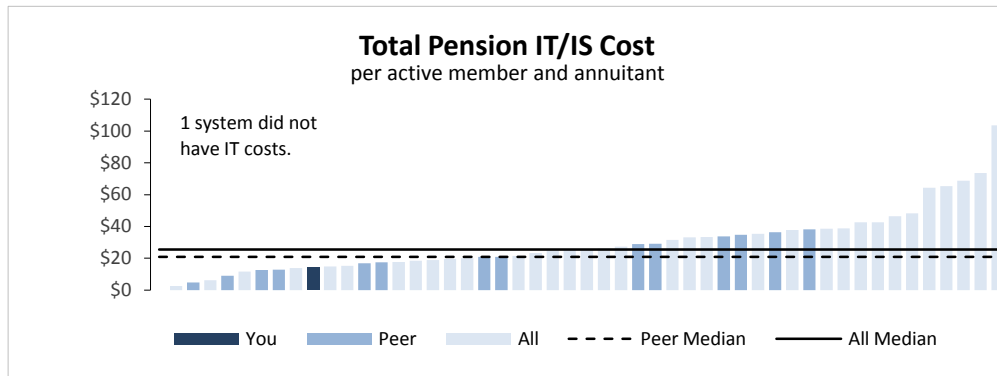
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This section contains comparisons to your peers and all participants of:

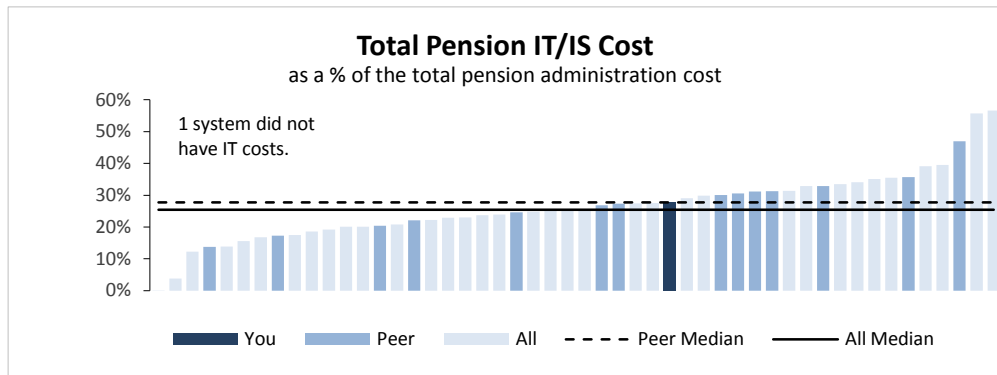
- Total IT/IS costs
- Indicators of CRM (Customer Relationship Management) capability
- Attributions of IT/IS and Major Projects to the other administration activities

## IT/IS costs

Your IT/IS cost was \$14.26 per active member and annuitant. This was below the peer median of \$20.81.



Your IT/IS cost as a percent of total pension administration cost was 28%. This was equal to the peer median.

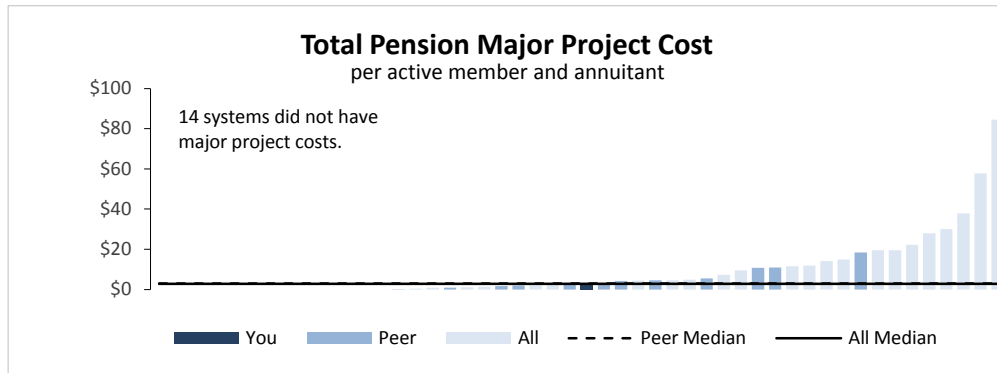


IT/IS Cost by Category									
Activity	Cost in	Cost per Active Member and Annuitant					Cost as a % of Total IT/IS Cost		
	\$000s	Peer		Peer	All		Peer		
	You	You	Median	Avg	Median	All Avg	You	Avg	All Avg
5c. Amortization of IT major projects	0	0.00	0.00	0.94	0.00	2.20	0%	4%	7%
5d. IT major projects (if you don't capitalize)	1,226	2.90	1.29	2.95	0.76	6.24	16%	12%	20%
6a. IT Strategy, Database Management and Applications (excl. major projects)	2,832	6.70	11.97	12.34	12.98	14.61	36%	52%	47%
6b. IT Desktop, Networks, Telecom	1,965	4.65	4.65	5.76	5.31	7.01	25%	24%	23%
<b>Total Pension IT/IS cost (excludes below)</b>	<b>6,022</b>	<b>14.26</b>	<b>20.81</b>	<b>22.00</b>	<b>25.39</b>	<b>30.06</b>	<b>77%</b>	<b>92%</b>	<b>97%</b>
IT/IS Attributions to: <sup>1</sup>									
1f. Healthcare Administration	1,611	3.82	0.31	1.23	0.00	0.53	21%	5%	2%
1g. Optional and Third Party Administered Benefits	147	0.35	0.18	0.65	0.00	0.29	2%	3%	1%
<b>Total Administration IT/IS cost</b>	<b>7,780</b>	<b>18.42</b>	<b>21.04</b>	<b>23.87</b>	<b>25.44</b>	<b>30.88</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

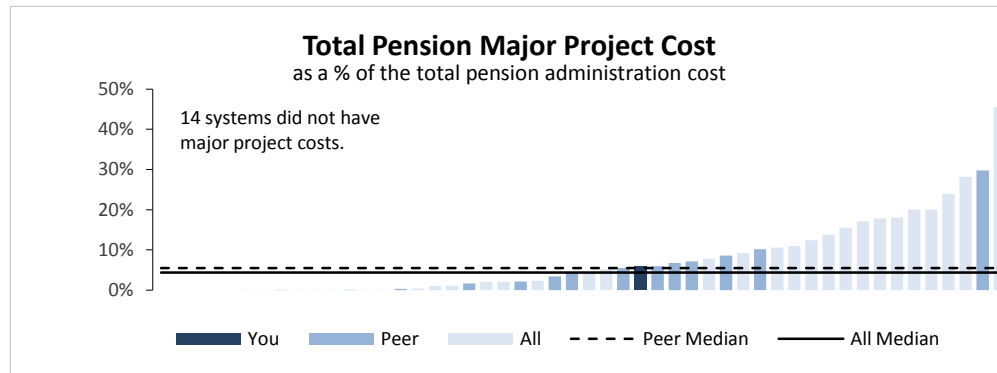
1. Attributions of total administration IT/IS to non-pension activities 1f and 1g includes: (i) pro-rata share of Major Project attribution (5a - 5d) weighted by activity 5c and 5d's contribution to total Major Project cost; (ii) total attribution of activity 6a to 1f and 1g; (iii) pro-rata share of 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 \$3.02 per active member and annuitant. This was equal to the peer median.



Your major project cost as a percent of total cost was 6%. This was equal to the peer median.

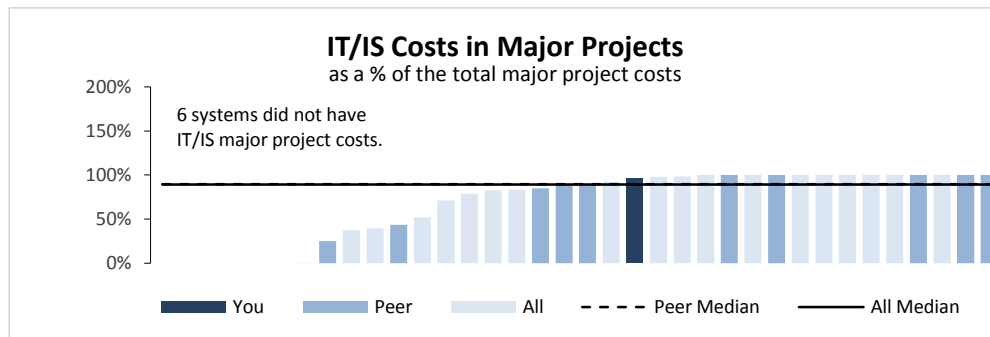


Major Project Cost by Category									
Activity	Cost in	Cost per Active Member and Annuitant					Cost as a % of Total Major Project Cost		
	\$000s	You	Peer Median	Peer Avg	All Median	All Avg	You	Peer Avg	All Avg
5a. Amortization of non-IT major projects	0	0.00	0.00	0.14	0.00	0.04	0%	3%	0%
5b. Non-IT major projects (if you don't capitalize)	48	0.11	0.00	0.48	0.00	0.68	4%	10%	7%
5c. Amortization of IT major projects	0	0.00	0.00	0.94	0.00	2.20	0%	19%	24%
5d. IT major projects (if you don't capitalize)	1,226	2.90	1.29	2.95	0.76	6.24	95%	59%	67%
<b>Total Pension Major Project cost (excludes below)</b>	<b>1,274</b>	<b>3.02</b>	<b>3.02</b>	<b>4.51</b>	<b>2.75</b>	<b>9.16</b>	<b>99%</b>	<b>90%</b>	<b>98%</b>
Major Project Attributions to:									
1f. Healthcare Administration	15	0.04	0.00	0.22	0.00	0.09	1%	4%	1%
1g. Optional and Third Party Administered Benefits	0	0.00	0.00	0.27	0.00	0.09	0%	5%	1%
<b>Total Administration Major Project cost</b>	<b>1,289</b>	<b>3.05</b>	<b>3.05</b>	<b>5.01</b>	<b>2.76</b>	<b>9.34</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>



## IT/IS cost included in major project costs

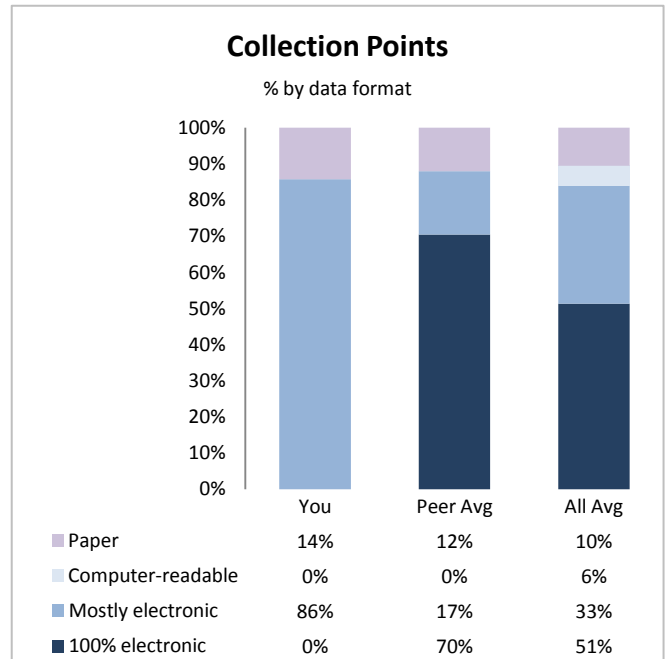
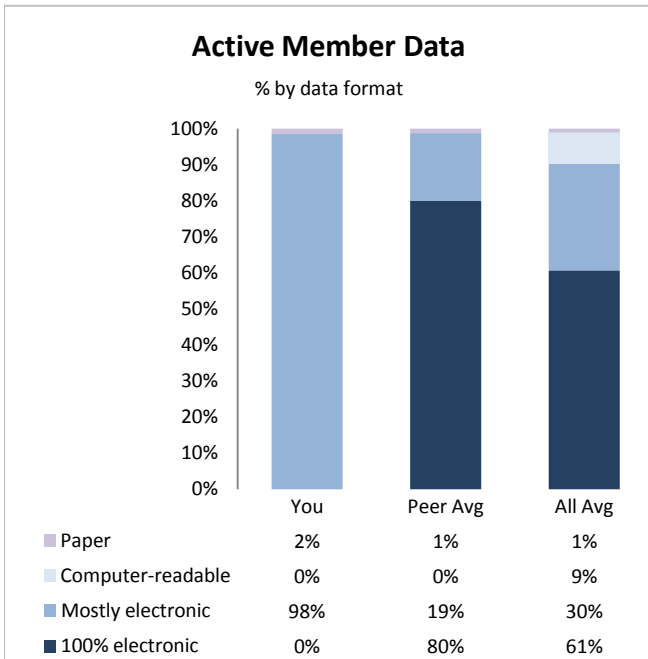
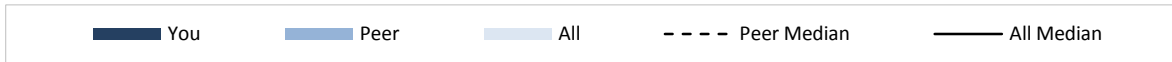
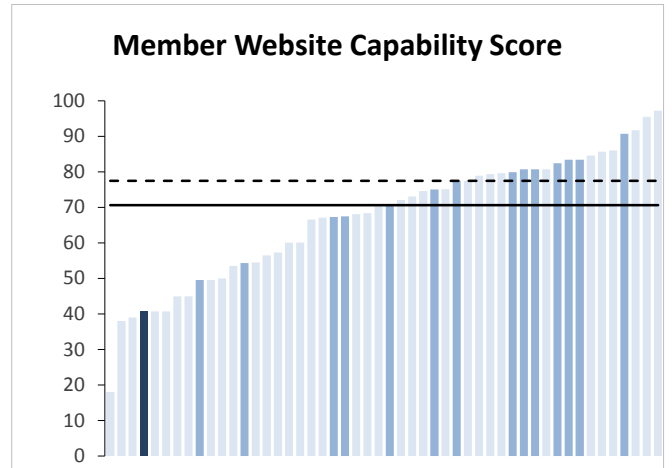
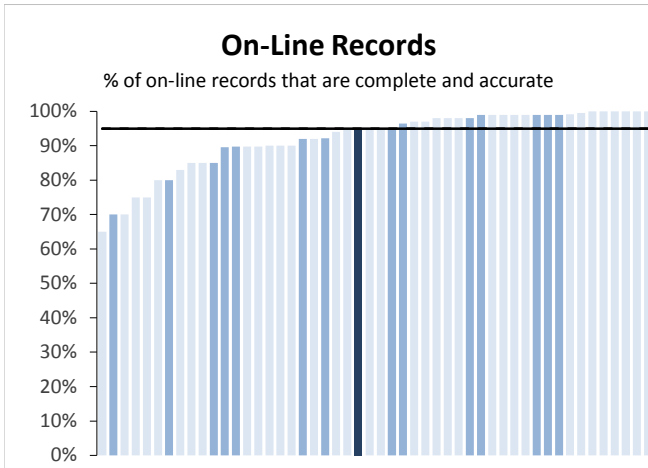
Your IT/IS major project costs as a percent of total major project costs was 96%. This was above the peer median of 89%.



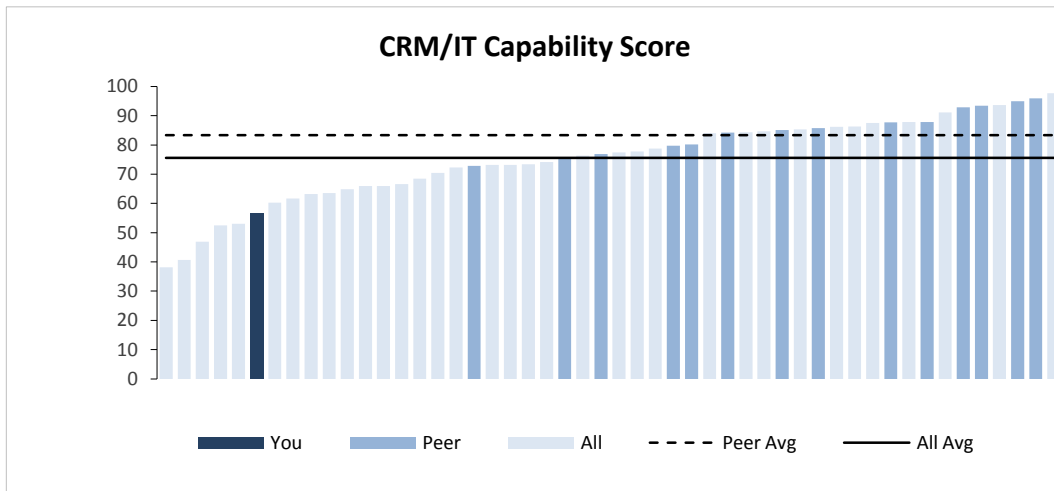
## IT and major project attributions by activity

Activity	6a. IT Strategy, Database Management and Applications (excl. major projects)						Total Major Projects (5a. through 5d.)					
	<u>\$s per Active Member and Annuitant Peer</u>			<u>As a % of total Peer</u>			<u>\$s per Active Member and Annuitant Peer</u>			<u>As a % of total Peer</u>		
	You	Avg	All Avg	You	Avg	All Avg	You	Avg	All Avg	You	Avg	All Avg
1. Member Transactions												
a. Pension Payments	1.74	1.19	1.27	26%	10%	9%	2.84	0.41	0.78	94%	10%	9%
b. Pension Inceptions	2.33	1.57	1.92	35%	14%	15%	0.18	0.42	1.53	6%	9%	14%
c. Withdrawals and Transfers-out	1.88	0.93	0.99	28%	8%	7%	0.00	0.23	0.44	0%	4%	5%
d. Purchases and Transfers-in	0.65	0.62	1.00	10%	6%	6%	0.00	0.22	0.98	0%	13%	10%
e. Disability	<u>0.10</u>	<u>0.37</u>	<u>0.52</u>	<u>2%</u>	<u>3%</u>	<u>3%</u>	<u>0.00</u>	<u>0.14</u>	<u>0.22</u>	<u>0%</u>	<u>2%</u>	<u>4%</u>
	6.70	4.68	5.71	100%	41%	40%	3.02	1.43	3.95	100%	38%	42%
2. Member Communication												
a. Call Center	0.00	1.47	1.40	0%	11%	9%	0.00	0.57	0.95	0%	7%	8%
b. Mail Room, Imaging	0.00	0.50	0.69	0%	4%	5%	0.00	0.63	0.61	0%	12%	9%
c. 1-on-1 Counseling	0.00	0.38	0.32	0%	2%	2%	0.00	0.14	0.13	0%	2%	2%
d. Presentations and Group Counseling	0.00	0.16	0.22	0%	2%	1%	0.00	0.05	0.09	0%	1%	1%
e. Written Pension Estimates	0.00	0.45	0.77	0%	5%	5%	0.00	0.15	0.32	0%	3%	4%
f. Mass Communication	<u>0.00</u>	<u>0.89</u>	<u>0.93</u>	<u>0%</u>	<u>7%</u>	<u>7%</u>	<u>0.00</u>	<u>0.19</u>	<u>0.32</u>	<u>0%</u>	<u>5%</u>	<u>6%</u>
	0.00	3.84	4.32	0%	31%	29%	0.00	1.73	2.42	0%	30%	30%
3. Collections and Data Maintenance												
a. Data and Money from Employers	0.00	1.49	1.91	0%	11%	14%	0.00	0.60	1.30	0%	13%	13%
b. Service to Employers	0.00	0.52	0.61	0%	4%	4%	0.00	0.30	0.31	0%	4%	3%
c. Data Not from Employers	<u>0.00</u>	<u>0.55</u>	<u>0.67</u>	<u>0%</u>	<u>4%</u>	<u>4%</u>	<u>0.00</u>	<u>0.13</u>	<u>0.38</u>	<u>0%</u>	<u>2%</u>	<u>3%</u>
	0.00	2.56	3.19	0%	19%	22%	0.00	1.03	1.99	0%	19%	19%
4. Governance and Financial Control												
a. Financial Administration and Control	0.00	0.71	0.86	0%	5%	6%	0.00	0.30	0.43	0%	12%	7%
b. Board, Strategy, Policy	0.00	0.28	0.35	0%	2%	2%	0.00	0.02	0.30	0%	0%	3%
c. Government and Public Relations	<u>0.00</u>	<u>0.27</u>	<u>0.18</u>	<u>0%</u>	<u>2%</u>	<u>1%</u>	<u>0.00</u>	<u>0.00</u>	<u>0.05</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>
	0.00	1.26	1.38	0%	9%	9%	0.00	0.33	0.78	0%	13%	10%
Total Pension Administration	6.70	12.34	14.61	100%	100%	100%	3.02	4.51	9.15	100%	100%	100%

# Key measures of CRM/IT capability



Your CRM/IT Capability score was 56 out of 100. This was below the peer average of 83.



### Calculation of your CRM/IT capability score

Weight	Relevant Questions and Scoring	You	Peer Avg	All Avg
	<u>CRM/ Call Capability</u>			
15%	<p>Q48 When a member calls in, do you have immediate computer access to the following member data:</p> <p>a) Record of the member's previous calls to the system?</p> <p>b) Copies of recent correspondence on-line?</p> <p>c) Knowledge based on-line help system available for use by the service representative?</p> <p>Score: 100 if all available, otherwise 33.3 for each yes</p>	<p>Yes</p> <p>Yes</p> <p>Yes</p> <p>100</p>	<p>87% Yes</p> <p>100% Yes</p> <p>80% Yes</p> <p>89</p>	<p>70% Yes</p> <p>96% Yes</p> <p>74% Yes</p> <p>80</p>
10%	<p>Q48 When a member calls in, do you have immediate computer access to the following member data:</p> <p>d) Most recent member statement?</p> <p>e) Refund or transfer-out value?</p> <p>f) Pensionable salary?</p> <p>g) Salary history?</p> <p>h) Total service credit?</p> <p>i) Service credit history?</p> <p>j) Beneficiary information?</p> <p>k) Home address and phone number?</p> <p>l) Non-pension benefit and optional elections?</p> <p>Score: 100 if all available, otherwise 11.1 for each yes</p>	<p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>100</p>	<p>100% Yes</p> <p>100% Yes</p> <p>93% Yes</p> <p>100% Yes</p> <p>100% Yes</p> <p>100% Yes</p> <p>100% Yes</p> <p>100% Yes</p> <p>100% Yes</p> <p>80% Yes</p> <p>99</p>	<p>100% Yes</p> <p>96% Yes</p> <p>98% Yes</p> <p>100% Yes</p> <p>98% Yes</p> <p>98% Yes</p> <p>98% Yes</p> <p>98% Yes</p> <p>80% Yes</p> <p>98</p>

## CRM/IT capability score

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Weight	Relevant Questions and Scoring	You	Peer Avg	All Avg
10%	<p>Q50 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 benefits 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 100% Yes 73	58% Yes 50% Yes 97% Yes 55
5%	<p>Q53 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	87% Yes 87	80% Yes 80
5%	<p>Q38 c) Incoming calls satisfied by self-serve options, if any?</p> <p><i>Score: 100 if yes, otherwise 0</i></p>	Yes 100	87% Yes 87	46% Yes 46
	<p><u>Document Imaging</u></p>			
5%	<p>Q58 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 87% Yes 80% Yes 93	96% Yes 94% Yes 71% Yes 89
	<p><u>Data Collection</u></p>			
5%	<p>Q106 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% 98% 0% 2%	80% 19% 0% 1%	61% 30% 9% 1%
		89	97	94

## CRM/IT capability score

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Weight	Relevant Questions and Scoring	You	Peer Avg	All Avg
	<u>Online Data Quality</u>			
5%	Q108 What % of your active and inactive member on-line records are complete and accurate? <i>Score: 100 X % of online records that are complete and accurate</i>	95% 95	92% 92	92% 92
	<u>Diagnostic Software</u>			
5%	Q110 Do you have a diagnostic software system for detecting and correcting contribution errors? <i>Score: 100 if yes, otherwise 0</i>	No 0	87% Yes 87	80% Yes 80
	<u>Integration</u>			
5%	Q111 When you get an address change, how many systems do you need to update? <i>Score: 100 if 1, otherwise 0</i>	9 0	2 80	1 82
	<u>Website</u>			
30%	Member website capability score [Refer to section 7 Service Levels: Mass communication - website for details.]	41	72	67
100%	Total CRM/ IT Capability Score - Average	56	83	76
	Total CRM/ IT Capability Score- Median	56	85	77

## 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 - Defaults

### Appendix E - Cost and service model changes

# Appendix A - Survey responses: Member status changes

Wisconsin DETF

Changes in Member Status 2010 - 2011						
	Active Members	Inactive Members	Annuitants			
			Service Retirees	Survivors, Partners, Ex-partners, Dependents	Disability Retirees	Total Annuitants
<b>Total Members by Type</b>						
a. Members at end of fiscal year 2010	267,293	148,353	143,261	1,186	6,224	150,671
b. Members at end of fiscal year 2011	266,629	149,815	148,380	1,201	6,194	155,775
Increase/-decrease	-664	1,462	5,119	15	-30	5,104
<b>Changes in Status:</b>						
<u>New and re-hired members:</u>						
c. Members collectively transferred-in from new employers	0	0	0	0	0	0
d. New active members [Exclude: members collectively transferred-in, re-hired inactive members and re-hired service retirees]	15,175					
e. Re-hired inactive members	2,359	2,359				
f. Re-hired service retirees [If annuity stops]	26		26			26
g. Divorces where ex-partner is set up as an inactive member		406				
<u>Refunds and transfers-out:</u>						
h. Active members exiting employment to inactive status [Include even if they were only briefly inactive prior to a refund or individual transfer-out. Exclude: service-retirement exits and collective transfers-out]	9,746	9,746				
i. Full refunds/ withdrawals/ commuted value/ lump sum terminations to exiting members [Exclude: partials, disability-lump-sums]	1,525	4,945				
j. Members collectively transferred-out with exiting employers	0	0	0	0	0	0
k. Individual transfers-out to external pension systems [Exclude: members collectively transferred-out]	0	0				
<u>Annuity Inceptions:</u>						
l. Active member service retirements	6,895		6,895			6,895
m. Inactive member service retirements		1,352	1,352			1,352
n. Inceptions to survivors, partners, ex-partners or dependents				206		206
o. Disability retirements	40	34			40	40
<u>Deaths and Stops</u>						
p. Deaths	18	0	3,036	7	103	3,146
q. Non-death stops of annuities (i.e., dependent turns 21, term certain ends, etc.) [Exclude: re-hired annuitants]			66	184	1	251
Explained Changes (net)	-664	1,462	5,119	15	-64	5,070
Unexplained increases/-decreases	0	0	0	0	34	34



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

Wisconsin DETF

6. Complete the table below:

	(\$000s)
a. Total administrative expenses per your financial statements (CAFR in the U.S.)	26,295.3
Less (if included in administrative expenses):	
b. Investment administration costs	0.0
Plus, if not included in administrative expenses:	
c. Amortization and depreciation of administrative assets	0.0
d. Actuarial fees and costs (excluding fees for investment performance measurement)	265.7
e. Other costs and professional fees relating to pension administration	0.0
f. Total benefit administration costs (to be attributed in question 9 below)	26,561.0

7. Did you capitalize any administration costs last year?            No yes/ no
- If yes:
- a. Total amount capitalized?            n/a \$000s
- b. Salaries and benefits of staff, if any, included in the amount capitalized?            n/a \$000s
- c. Full-time-equivalent (FTE) of staff that pertain to the salaries being capitalized?            n/a # FTE
- d. Information technology costs included in the amount capitalized?            n/a \$000s

8. Intentionally blank

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

continued

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	5.1	329.4	130.4	459.8	1,199.1	734.8	0.0	1,933.9
b. Pension Inceptions	8.4	539.4	76.1	615.5	74.7	983.4	0.0	1,058.1
c. Withdrawals and Transfers-out	6.5	424.6	73.3	497.9	0.0	795.4	0.0	795.4
d. Purchases and Transfers-in	2.1	151.9	19.9	171.8	0.0	274.5	0.0	274.5
e. Disability	11.6	881.7	150.1	1,031.8	0.0	43.6	0.0	43.6
f. Healthcare Administration	11.7	1,416.7	415.6	1,832.3	15.0	1,437.6	0.0	1,452.6
g. Optional and Third Party Administered Benefits	4.0	379.9	52.0	431.9	0.0	87.1	0.0	87.1
<b>2. Member Communication</b>								
a. Call Center	24.2	1,522.2	117.7	1,639.9	0.0	0.0	0.0	0.0
b. Mail Room, Imaging	11.1	557.9	107.5	665.4	0.0	0.0	0.0	0.0
c. 1-on-1 Counseling	12.0	892.1	50.2	942.3	0.0	0.0	0.0	0.0
d. Presentations and Group Counseling	6.7	498.4	27.0	525.4	0.0	0.0	0.0	0.0
e. Written Pension Estimates	11.4	816.9	33.5	850.4	0.0	0.0	0.0	0.0
f. Mass Communication	6.0	511.5	64.8	576.3	0.0	0.0	0.0	0.0
<b>3. Collections and Data Maintenance</b>								
a. Data and Money from Employers	7.1	537.6	61.2	598.8	0.0	0.0	0.0	0.0
b. Service to Employers	5.9	458.5	30.0	488.5	0.0	0.0	0.0	0.0
c. Data Not from Employers	3.0	212.5	31.8	244.3	0.0	0.0	0.0	0.0
<b>4. Governance and Financial Control</b>								
a. Financial Administration and Control	9.9	755.5	272.2	1,027.7	0.0	0.0	0.0	0.0
b. Board, Strategy, Policy	9.5	1,265.9	660.9	1,926.8	0.0	0.0	0.0	0.0
c. Government and Public Relations	0.4	43.5	1.1	44.6	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)	0.2	24.2	24.6	48.8				
c. Amortization of IT major projects	n/a	n/a	0.0	0.0				
d. IT major projects (if you don't capitalize)	1.3	99.7	1,140.3	1,240.0				
<b>6. Information Technology</b>								
a. IT Strategy, Database Management and	22.7	2,274.5	2,081.9	4,356.4				
b. IT Desktop, Networks, Telecom	11.9	1,134.8	1,048.6	2,183.4				
<b>7. Support Services and Other</b>								
a. Building and Utilities	2.0	144.4	1,491.8	1,636.2				
b. Human Resources	5.6	474.3	69.0	543.3				
c. Actuarial	0.4	33.3	284.1	317.4				
d. Legal and Rule Interpretation	1.5	127.5	3.3	130.8				
e. Internal and External Audit	3.2	339.0	124.6	463.6				
f. Pay-as-you-go benefits for retired staff	n/a	0.0	n/a	0.0				
g. Other Support Services	10.8	931.6	138.3	1,069.9				
<b>Total Administration (includes 1f, 1g)</b>	<b>216.2</b>	<b>17,779.4</b>	<b>8,781.8</b>	<b>26,561.2</b>	<b>1,288.8</b>	<b>4,356.4</b>	<b>0.0</b>	<b>5,645.2</b>

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

## Appendix A - Survey responses: Service and plan design

Wisconsin DETF

Survey Question	Your Response			Peers 2011					All Participants 2011				
	2011	2010	2009	Max	Med	Min	Avg	#	Max	Med	Min	Avg	#
<b>Start</b>													
1 <u>Wisconsin Department of Employee Trust Funds</u>													
2 Main survey contact: <u>Jon Kranz</u> <u>Director, Office of Budget and Trust Finance</u> <u>jon.kranz@etf.state.wi.us</u> <u>(608) 267-0908</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)?  <b>Service</b> <b>Activity 1a - Pension Payments</b>	75.8	69.2	63.3	155.7	60.6	23.1	63.7	15	757.9	35.7	5.2	72.4	49
10 Do you administer annuity pensions? If no, skip to question 23	Yes	Yes	Yes	100% Yes / 0% No / 0% n/a				15	100% Yes / 0% No / 0% n/a				50
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	No	No	0% Yes / 100% No / 0% n/a				15	0% Yes / 100% No / 0% n/a				50
	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0					
	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0					
12 What percentage of pensioners are paid by check [as opposed to Electronic Funds Transfer ("EFT")]?	1.1%	1.5%	10.3%	20.0%	4.6%	0.0%	5.8%	15	20.0%	4.0%	0.0%	4.9%	43
13 Do you send out payment advices (i.e., gross/ net specifications) 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) Do you use payment advices to communicate brief messages to annuitants with payments? [For example, explaining payment changes, or indicating that the next payment will be on the 2nd of the month]  c) Can you comply with a member's request not to send them payment advices?	Yes	Yes	Yes	93% Yes / 7% No / 0% n/a				15	94% Yes / 6% No / 0% n/a				50
	Every Time	Every Time	Every Time										
	Amount Changes	Amount Changes	Amount Changes	12	6	1	6	14	12	6	1	6	48
	No	No	No	73% Yes / 20% No / 7% n/a				14	70% Yes / 26% No / 4% n/a				48
	No	No	No	33% Yes / 60% No / 7% n/a				14	40% Yes / 54% No / 6% n/a				47

Survey Question		Your Response			Peers 2011					All Participants 2011					
		2011	2010	2009	Max	Med	Min	Avg	#	Max	Med	Min	Avg	#	
	d) Are new annuitants asked to choose whether or not they want to receive payment advices?	No	No	No	13% Yes / 80% No / 7% n/a					14	4% Yes / 92% No / 4% n/a				48
14	Will you issue a pension payment in a foreign currency if the member requests it?	No	No	No	0% Yes / 100% No / 0% n/a					15	16% Yes / 82% No / 2% n/a				49
15	At the request of an annuitant, or a third-party, will you deduct amounts from his/ her regular annuity payments and pay them on his/ her behalf to a third party for:														
	a) Healthcare?	Yes	Yes	Yes	93% Yes / 7% No / 0% n/a					15	78% Yes / 22% No / 0% n/a				50
	b) Dental and/or vision coverage?	Yes	Yes	Yes	93% Yes / 7% No / 0% n/a					15	74% Yes / 26% No / 0% n/a				50
	c) Other special health coverage such as long-term care, cancer?	Yes	Yes	Yes	67% Yes / 33% No / 0% n/a					15	54% Yes / 46% No / 0% n/a				50
	d) Optional life insurance?	Yes	Yes	Yes	60% Yes / 40% No / 0% n/a					15	63% Yes / 37% No / 0% n/a				43
	e) Car insurance?	No	No	No	13% Yes / 87% No / 0% n/a					15	9% Yes / 91% No / 0% n/a				43
	f) Home insurance?	No	No	No	13% Yes / 87% No / 0% n/a					15	9% Yes / 91% No / 0% n/a				43
	g) Retiree association or union dues?	No	No	No	67% Yes / 33% No / 0% n/a					15	64% Yes / 36% No / 0% n/a				50
	h) Savings plans such as savings bonds or DC plans?	No	No	No	0% Yes / 100% No / 0% n/a					15	10% Yes / 90% No / 0% n/a				50
	i) Charitable contributions?	No	No	No	7% Yes / 93% No / 0% n/a					15	20% Yes / 80% No / 0% n/a				50
	j) Loan repayments?	No	No	No	0% Yes / 100% No / 0% n/a					15	4% Yes / 96% No / 0% n/a				50
	k) Prescription card?	No	No	No	7% Yes / 93% No / 0% n/a					15	5% Yes / 95% No / 0% n/a				43
	l) Mandatory deductions including taxes, divorce decrees or QDROs, family support, child support, garnishment or liens on wages for things such as bankruptcv, etc.?	Yes	Yes	Yes	100% Yes / 0% No / 0% n/a					15	96% Yes / 4% No / 0% n/a				50
	m) Other (describe)? <u>collection of overpayments</u>	Yes	Yes	Yes	40% Yes / 60% No / 0% n/a					15	36% Yes / 64% No / 0% n/a				50
	<b>Activity 1b - Pension Inceptions</b>														
16	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.	9,427	4,901	5,012	9,427	660	0	1,320	15	83,871	536	0	4,144	50	
17	How many formal appeals (non-disability) of pension inceptions did you have? f) Formal appeals of disability decisions?	2 72	6 101	28 132	180 595	19 39	0 0	46 112	15 15	182 595	3 1	0 0	24 41	50 50	
18	What percentage of annuity inceptions for:														

Survey Question		Your Response			Peers 2011					All Participants 2011				
		2011	2010	2009	Max	Med	Min	Avg	#	Max	Med	Min	Avg	#
	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%	99.0%	99.0%	100.0%	96.0%	15.0%	88.2%	15	100.0%	97.1%	0.0%	85.8%	50
	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%	98.0%	98.0%	100.0%	88.4%	4.0%	75.6%	15	100.0%	91.0%	0.0%	74.4%	50
19	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?	Yes	Yes	Yes	87% Yes / 13% No / 0% n/a				15	76% Yes / 24% No / 0% n/a				50
	a) If yes, what proportion of your service retirement inceptions to retiring active members was based on existing data or estimates?	100.0%	100.0%	100.0%	100.0%	85.0%	0.7%	73.0%	13	100.0%	70.0%	0.0%	59.8%	38
	b) On average, how long did it take to finalize service retirement inceptions based on estimates? (in months)	6	6	8	18	3	1	5	13	18	2	1	3	36
20	Do survivors need to apply for a survivor pension after the death of a retired member, even if the survivor is known to the pension fund?	No	No	No	53% Yes / 47% No / 0% n/a				15	44% Yes / 56% No / 0% n/a				50
21	Do you require birth certificates and/or marriage certificates before incepting a pension?	No	No	No	53% Yes / 47% No / 0% n/a				15	77% Yes / 23% No / 0% n/a				43
22	Do you require notarization of normal or early retirement applications?	No	No	No	40% Yes / 47% No / 13% Some / 0% n/a				15	28% Yes / 60% No / 12% Some / 0% n/a				50
	If some, describe those that require versus those that do not: <a href="#">n/a</a> <b>Activity 1c - Refunds, Transfers-out, Withdrawals</b>													
23	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.]	2,979	3,093	Unknown	25,104	9,172	0	9,009	13	90,650	3,435	0	8,370	46
24	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)?	60	60	120	120	38	2	42	15	150	30	1	43	41
	a) Are you legislated to have a wait period before you can effect a refund?	No	No	No	67% Yes / 33% No / 0% n/a				15	47% Yes / 51% No / 2% n/a				42
	b) If yes: How long is the wait period? (in days)	n/a	n/a	n/a	180	30	15	54	10	180	38	0	60	20
	c) If yes: Can the wait period be waived?	n/a	n/a	n/a	20% Yes / 47% No / 33% n/a				10	14% Yes / 33% No / 53% n/a				20
25	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	70	120	226	18	3	45	14	375	35	2	74	40
26	Do you require notarization of refund or transfer-out applications? (yes, some, no)	No	No	No	33% Yes / 27% No / 40% Some / 0% n/a				15	26% Yes / 54% No / 20% Some / 0% n/a				50

Survey Question	Your Response			Peers 2011					All Participants 2011				
	2011	2010	2009	Max	Med	Min	Avg	#	Max	Med	Min	Avg	#
a) If some, describe those that require versus those that do not: n/a <b>Activity 1d - Purchases and Transfers-in</b>													
27 Number of actual:													
a) Service credit purchases such as for prior refunded service, military service, etc.?	1,311	780	900	22,999	2,699	114	4,640	15	22,999	2,343	36	3,594	42
b) Upgrades or 'Top-ups' where members can improve their pensionable salary (but not service credit)?	n/a	n/a	n/a	4,375	0	0	292	15	4,375	0	0	97	50
c) Upgrades where members can pay to upgrade from an older retirement formula to a new retirement formula?	n/a	n/a	n/a	348	0	0	24	15	716	0	0	22	50
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	2,356	0	0	198	15	36,651	44	0	1,307	50
28 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.]	1,892	1,396	1,880	30,741	6,494	123	7,885	14	78,020	3,621	0	10,173	49
29 On average, how many days does it take from the date of first request to provide a written service credit cost purchase estimate?	9	10	8	125	10	1	18	15	250	12	1	31	44
30 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] <b>Activity 1e - Disability</b>	1	1	1	11	1	1	2	14	21	2	0	3	40
31 Do you administer:													
a) Long-term disability/ disability pensions/ disability lump sums?	Yes	Yes	Yes	100% Yes / 0% No / 0% n/a				15	86% Yes / 14% No / 0% n/a				43
b) Short-term disability?	Yes	Yes	Yes	20% Yes / 80% No / 0% n/a				15	12% Yes / 88% No / 0% n/a				43
If you do not administer either short-term or long-term disability, or disability pensions skip to question 38.													
32 Number of:													
a) Applications for disability pensions/ long-term disability/ disability lump sums?	852	806	750	2,878	588	0	892	15	47,000	183	0	1,422	50
b) Applications for short-term disability (if you administer)?	1,536	1,489	1,497	3,413	0	0	330	15	3,852	0	0	205	43
c) Members receiving short-term disability (if you administer)?	1,903	1,833	1,867	1,903	547	2	817	3	3,027	547	1	1,096	5
d) Independent medical examinations for disability application assessment or reassessment paid for by you, if any?	0	0	0	3,470	38	0	472	15	3,470	2	0	168	50

Survey Question	Your Response			Peers 2011					All Participants 2011					
	2011	2010	2009	Max	Med	Min	Avg	#	Max	Med	Min	Avg	#	
e) 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.]	213	233	256	213	0	0	26	15	213	0	0	10	50	
33 Do you cover non-occupational disability? [Some systems only cover disabilities that happen at work.]	Yes	Yes	Yes	100% Yes / 0% No / 0% n/a					15	84% Yes / 2% No / 14% n/a				43
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?	No	No	No	60% Yes / 40% No / 0% n/a					15	34% Yes / 50% No / 16% n/a				42
b) If yes to 'a' immediately above: Number of occupational disability applications?	n/a	n/a	n/a	1,062	10	0	102	15	1,062	0	0	44	50	
34 How many months, on average, does it take to return a decision on a disability application from the day of initial request to a decision?	3	4	4	10	3	1	3	15	12	2	0	3	43	
35 Do you have an expedited method for processing disability for a terminally ill member?	Yes	Yes	Yes	73% Yes / 27% No / 0% n/a					15	44% Yes / 40% No / 16% n/a				42
36 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	33% Yes / 67% No / 0% n/a					15	21% Yes / 44% No / 35% n/a				28
37 Do you require notarization of disability applications? a) If some, describe those that require versus those that do not: <u>n/a</u> <b>Activity 2a - Call Center Volumes</b>	No	No	No	33% Yes / 67% No / 0% Some / 0% n/a					15	22% Yes / 64% No / 0% Some / 14% n/a				43
38 What were your volumes of: a) Incoming calls that reach and are responded to by a knowledgeable service representative (i.e., exclude messages, etc)? b) Outgoing calls from service representatives responding to messages (voice mail, receptionist, etc.) or following-up on previous calls? c) Incoming calls satisfied by self-serve options, if any? d) Email queries from members? <u>Before Reaching a Service Rep</u>	136,694	119,869	110,945	467,308	255,262	89,662	247,899	15	496,210	111,499	2,800	152,520	50	
	27,339	26,371	24,000	59,641	7,500	220	14,363	15	85,142	8,982	0	13,423	50	
	38,274	25,620	24,400	773,220	22,346	0	89,114	15	773,220	0	0	34,501	50	
	18,066	11,581	10,856	126,549	13,082	3,577	22,020	15	126,549	8,372	0	14,319	50	
39 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	27% Yes / 73% No / 0% n/a					15	30% Yes / 70% No / 0% n/a				50

Survey Question	Your Response			Peers 2011					All Participants 2011				
	2011	2010	2009	Max	Med	Min	Avg	#	Max	Med	Min	Avg	#
b) Caller gets pre-recorded 'call another time' message during business hours?	No	No	No	13% Yes / 87% No / 0% n/a				15	24% Yes / 76% No / 0% n/a				50
c) Voice mail takes a message during business hours?	No	No	No	27% Yes / 73% No / 0% n/a				15	52% Yes / 48% No / 0% n/a				50
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	New	New	87% Yes / 13% No / 0% n/a				15	80% Yes / 20% No / 0% n/a				50
e) Abandoned calls in a queue or on hold (i.e. caller hangs-up)?	Yes	New	New	87% Yes / 13% No / 0% n/a				15	96% Yes / 4% No / 0% n/a				50
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?	No	No	No	7% Yes / 87% No / 7% n/a				14	6% Yes / 92% No / 2% n/a				49
g) Busy signal after navigating an automated attendant menu, or after being transferred by a receptionist?	No	No	No	20% Yes / 73% No / 7% n/a				14	8% Yes / 90% No / 2% n/a				49
h) Call rings unanswered during business hours?	No	No	No	7% Yes / 87% No / 7% n/a				14	10% Yes / 88% No / 2% n/a				49
If yes: volume													
a) # Busy signal, never enters the system?	Unknown	Unknown	Unknown	2,494	759	19	1,008	4	145,168	323	0	10,124	15
b) # Caller gets pre-recorded 'call another time' message during business hours?	n/a	n/a	n/a	1,400	970	540	970	2	45,749	75	0	4,027	12
c) # Voice mail takes a message during business hours?	n/a	n/a	n/a	21,603	2,069	0	6,435	4	36,448	531	0	3,725	26
d) # Abandoned calls i.e. caller hangs-up while in a menu?	Unknown	5,563	11,450	37,738	6,697	275	10,675	14	37,738	2,787	0	5,800	44
e) # Abandoned calls i.e. caller hangs-up while in a queue or on hold?	11,148	5,563	11,450	103,654	10,104	1,201	21,426	14	103,654	3,182	5	10,626	48
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	24,403	24,403	24,403	24,403	1	24,403	324	5	8,244	3
g) # Busy signal after navigating an automated attendant menu, or after being transferred by a receptionist?	n/a	n/a	n/a	327,372	34,018	14,485	125,292	3	327,372	24,252	0	93,969	4
h) # Call rings unanswered during business hours?	n/a	n/a	n/a	750	750	750	750	1	851	750	35	497	5
If volume is unknown, estimate the % of total calls that this outcome represents													
a) % Busy signal, never enters the system?	0.0%	Unknown	40.0%	0.0%	0.0%	0.0%	0.0%	1	14.3%	0.0%	0.0%	2.9%	5
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	0.3%	0.1%	0.0%	0.1%	5
c) % Voice mail takes a message during business hours?	n/a	n/a	n/a	1.0%	1.0%	1.0%	1.0%	1	3.0%	0.6%	0.0%	0.8%	9
d) % Abandoned calls i.e. caller hangs-up while in a menu?	Unknown	n/a	n/a	8.3%	5.4%	2.5%	5.4%	2	8.3%	0.9%	0.0%	2.3%	5
e) % Abandoned calls i.e. caller hangs-up while in a queue or on hold?	n/a	n/a	n/a	8.3%	8.3%	8.3%	8.3%	1	8.3%	2.6%	0.0%	3.4%	4
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	0.0%	0.0%	0.0%	0.0%	1
g) % 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					
h) % Call rings unanswered during business hours?	n/a	n/a	n/a	0.3%	0.3%	0.3%	0.3%	1	0.5%	0.3%	0.1%	0.3%	3



Survey Question		Your Response			Peers 2011					All Participants 2011						
		2011	2010	2009	Max	Med	Min	Avg	#	Max	Med	Min	Avg	#		
40	Do you have a menu system that callers negotiate before speaking to someone? If yes:	Yes	Yes	Yes	100% Yes / 0% No / 0% n/a					15	80% Yes / 20% No / 0% n/a					50
	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.]	2	2	2	5	2	1	2	15	5	2	1	2	40		
	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)?	80	80	80	206	45	22	62	15	206	38	14	51	40		
	c) Is the menu system by-passed if a service representative is available?	No	No	New	0% Yes / 100% No / 0% n/a					15	4% Yes / 76% No / 20% n/a					40
	c1) If yes, what percentage of calls is the menu system by-passed?	n/a	n/a	New	n/a	n/a	n/a	n/a	0	92.0%	46.0%	0.0%	46.0%	2		
41	When a member calls in, is the first point of human contact usually a receptionist(s) that 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	6% Yes / 94% No / 0% n/a					50
	If yes:	n/a	n/a	n/a	0% Yes / 0% No / 100% n/a					0	2% Yes / 4% No / 94% n/a					3
	a) Do you have a queue for the receptionist(s)?	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0	13	13	13	13	1		
	a1) If yes, what is the average wait time in seconds in queue for the receptionist(s)?	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0	51.0%	35.0%	14.0%	33.3%	3		
	b) Approximately what percentage of callers are:	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0	43.0%	34.0%	20.0%	32.3%	3		
	b1) Satisfied by the receptionist without forwarding?	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0	44.5%	43.0%	13.0%	33.5%	3		
	b2) Forwarded by the receptionist to a queue for service representatives?	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0	2.0%	0.5%	0.0%	0.8%	3		
	b3) Forwarded by the receptionist to specific people or departments?	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0							
b4) Receptionist takes a message?	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0								
42	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	88% Yes / 12% No / 0% n/a					50
	If yes:															
	a) Average wait time in seconds in queue for a service representative?	127	232	237	583	118	12	130	15	583	47	10	86	44		
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	8% Yes / 80% No / 12% n/a					44	

Survey Question		Your Response			Peers 2011					All Participants 2011				
		2011	2010	2009	Max	Med	Min	Avg	#	Max	Med	Min	Avg	#
	c) Are callers given the option to exit the queue and leave a voice mail message (either immediately or if the queue exceeds a set wait time)?	No	No	No	20% Yes / 80% No / 0% n/a			15	22% Yes / 66% No / 12% n/a			44		
43	Does your system offer voice mail for responding to calls after hours?	No	No	No	20% Yes / 80% No / 0% n/a			15	50% Yes / 50% No / 0% n/a			50		
44	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? If yes: a) What was the total volume of callbacks? b) Are callbacks made as soon as the caller's turn in the queue comes up or at a later, designated time? 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? b2) Is the time between hang up and call back included in your average wait time statistic per question 42a above? c) Does the caller have the option of either leaving his number for callback or choosing to remain on the line? <u>After Reaching a Service Rep</u>	No	No	No	20% Yes / 80% No / 0% n/a			15	8% Yes / 90% No / 2% n/a			49		
	a) What was the total volume of callbacks?	n/a	n/a	n/a	163,646	21,396	540	61,861	3	163,646	12,090	540	47,092	4
	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	13% Queue/ 7% Designated Time/ 80% n/a			3	6% Queue/ 2% Designated Time/ 92% n/a			4		
	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	631	526	420	526	2	631	526	420	526	2
	b2) Is the time between hang up and call back included in your average wait time statistic per question 42a above?	n/a	n/a	New	0% Yes / 13% No / 87% n/a			2	0% Yes / 6% No / 94% n/a			3		
	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	New	20% Yes / 0% No / 80% n/a			3	8% Yes / 0% No / 92% n/a			4		
45	What was the: a) % of callers transferred after first contact? (exclude receptionists) b) % of callers you called back because their needs were not fully satisfied at first contact? c) % of calls satisfied by the first contact?	14.0%	19.0%	21.0%	15.0%	4.0%	0.0%	5.6%	15	29.5%	5.0%	0.0%	6.7%	49
		5.0%	5.0%	5.0%	12.8%	4.7%	0.0%	4.0%	15	24.0%	3.9%	0.0%	4.4%	42
		81.0%	76.0%	74.0%	98.0%	92.0%	78.5%	90.4%	15	98.0%	90.3%	63.8%	88.7%	44
46	What was the % of calls placed on hold after a caller has reached a knowledgeable person? a) What is the average hold time?	10.3%	13.0%	Unknown	28.0%	12.8%	0.0%	12.7%	12	28.0%	8.3%	0.0%	9.6%	37
		110	110	Unknown	179	96	30	94	13	236	71	0	71	47
47	What was the average duration of a member call (in seconds)? [Do not include hold or queuing time prior to member reaching a knowledgeable person. Do include hold time, if any, after the member has reached a knowledgeable person.]	284	281	340	982	301	154	329	15	982	279	124	285	48
48	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? b) Copies of recent correspondence on-line? c) Knowledge based on-line help system available for use by the service representative? d) Most recent member statement? e) Refund or transfer-out value? f) Pensionable salary?	Yes	Yes	Yes	87% Yes / 13% No / 0% n/a			15	70% Yes / 30% No / 0% n/a			50		
		Yes	Yes	Yes	100% Yes / 0% No / 0% n/a			15	96% Yes / 4% No / 0% n/a			49		
		Yes	Yes	Yes	80% Yes / 20% No / 0% n/a			15	74% Yes / 26% No / 0% n/a			50		
		Yes	Yes	Yes	100% Yes / 0% No / 0% n/a			15	100% Yes / 0% No / 0% n/a			50		
		Yes	Yes	Yes	100% Yes / 0% No / 0% n/a			15	96% Yes / 4% No / 0% n/a			50		
		Yes	Yes	Yes	93% Yes / 7% No / 0% n/a			15	98% Yes / 2% No / 0% n/a			50		

Survey Question		Your Response			Peers 2011					All Participants 2011						
		2011	2010	2009	Max	Med	Min	Avg	#	Max	Med	Min	Avg	#		
	g) Salary history?	Yes	Yes	Yes	100% Yes / 0% No / 0% n/a					15	100% Yes / 0% No / 0% n/a					50
	h) Total service credit?	Yes	Yes	Yes	100% Yes / 0% No / 0% n/a					15	98% Yes / 2% No / 0% n/a					50
	i) Service credit history?	Yes	Yes	Yes	100% Yes / 0% No / 0% n/a					15	98% Yes / 2% No / 0% n/a					50
	j) Beneficiary information?	Yes	Yes	Yes	100% Yes / 0% No / 0% n/a					15	98% Yes / 2% No / 0% n/a					50
	k) Home address and phone number?	Yes	Yes	Yes	100% Yes / 0% No / 0% n/a					15	98% Yes / 2% No / 0% n/a					50
	l) Non-pension benefit and optional elections?	Yes	Yes	Yes	80% Yes / 20% No / 0% n/a					15	80% Yes / 20% No / 0% n/a					50
49	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	86% Yes / 14% No / 0% n/a					50
50	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 benefits at retirement?	No	No	No	73% Yes / 27% No / 0% n/a					15	58% Yes / 42% No / 0% n/a					50
	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	50% Yes / 50% No / 0% n/a					50
	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 / 0% No / 27% n/a					11	56% Yes / 2% No / 42% n/a					29
	b) Refund or transfer value assuming member exited employment at the time of the call?	Yes	Yes	Yes	93% Yes / 7% No / 0% n/a					15	62% Yes / 38% No / 0% n/a					50
	c) Pensionable salary?	Yes	Yes	Yes	93% Yes / 7% No / 0% n/a					15	82% Yes / 18% No / 0% n/a					50
	d) Total service credit?	Yes	Yes	Yes	93% Yes / 7% No / 0% n/a					15	80% Yes / 20% No / 0% n/a					50
	e) Service credit purchase cost estimates?	No	No	No	60% Yes / 40% No / 0% n/a					15	46% Yes / 54% No / 0% n/a					50
	f) If you administer a DC plan:															
	f1) Current value of the DC account?	n/a	n/a	n/a	40% Yes / 0% No / 60% n/a					6	28% Yes / 2% No / 70% n/a					13
	f2) Estimate of the value of the DC account at retirement?	n/a	n/a	n/a	0% Yes / 40% No / 60% n/a					6	12% Yes / 19% No / 70% n/a					13
	f3) History of account transactions?	n/a	n/a	No	33% Yes / 7% No / 60% n/a					6	26% Yes / 5% No / 70% n/a					13
51	Can members calling in perform the following transactions over the phone:															
	a) Change address?	Yes	Yes	New	80% Yes / 20% No / 0% n/a					15	65% Yes / 35% No / 0% n/a					43
	b) Change beneficiary?	No	No	New	0% Yes / 100% No / 0% n/a					15	2% Yes / 98% No / 0% n/a					43
	c) Change payment instructions? [i.e., bank account]	No	No	New	20% Yes / 80% No / 0% n/a					15	14% Yes / 86% No / 0% n/a					43
	d) If you administer a DC plan, switches to investment options?	n/a	n/a	n/a	20% Yes / 20% No / 60% n/a					6	12% Yes / 14% No / 74% n/a					11
	<u>Quality and Other</u>															
52	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	No	87% Yes / 13% No / 0% n/a					15	78% Yes / 22% No / 0% n/a					50
	a) If yes, how many calls per agent per month (on average) do you monitor?	3	3	n/a	18	4	2	6	13	20	4	0	5	39		

Survey Question	Your Response			Peers 2011					All Participants 2011						
	2011	2010	2009	Max	Med	Min	Avg	#	Max	Med	Min	Avg	#		
b) If yes, are you listening in on a live call or a recording?	Recording	Recording	n/a	67% Recording / 20% Live / 13% n/a					13	54% Recording / 24% Live / 22% n/a					39
53 Do you have and use tools to help you project call volumes?	No	No	No	87% Yes / 13% No / 0% n/a					15	80% Yes / 20% No / 0% n/a					50
54 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	86% Yes / 14% No / 0% n/a					50
55 How many hours per week is your 'call center' operational?	50	44	44	55	45	43	47	15	65	45	38	47	50		
56 Can members communicate questions using email? 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.	Yes	Yes	Yes	100% Yes / 0% No / 0% n/a					15	94% Yes / 6% No / 0% n/a					50
<b>Activity 2b - Mail Room, Imaging</b>	3	3	3	5	2	1	2	15	5	2	0	2	47		
57 What were your volumes of: a) Incoming mail? b) Outgoing mail?	224,000 2,250,000	188,303 2,500,000	Unknown New	420,255 3,586,000	208,935 1,000,401	42,700 110,000	213,315 1,159,040	15 15	654,082 4,626,070	77,796 251,409	342 5	143,792 764,657	50 50		
58 Do you use imaging technology? 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?	Yes	Yes	Yes	100% Yes / 0% No / 0% n/a					15	96% Yes / 4% No / 0% n/a					50
	Yes	Yes	Yes	87% Yes / 13% No / 0% n/a					15	90% Yes / 6% No / 4% n/a					48
	Yes	Yes	Yes	80% Yes / 20% No / 0% n/a					15	68% Yes / 28% No / 4% n/a					48
<b>Activity 2c -1-on-1 Member Counseling</b>															
59 Do you provide 1-on-1 counseling? If you do not offer 1-on-1 counseling skip to question 69.	Yes	Yes	Yes	100% Yes / 0% No / 0% n/a					15	92% Yes / 8% No / 0% n/a					50
60 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 field at locations separate from the member's place of employment? c) At member's place of employment?	8,344	8,086	7,642	23,775	4,551	1,289	7,716	14	25,319	2,294	5	4,512	45		
	57	0	0	28,912	1,056	0	5,730	14	28,912	120	0	2,363	43		
	0	0	0	5,524	377	0	1,146	12	8,590	0	0	812	39		

Survey Question	Your Response			Peers 2011					All Participants 2011				
	2011	2010	2009	Max	Med	Min	Avg	#	Max	Med	Min	Avg	#
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)	0 8,401	0 8,086	0 7,642	6,357 58,502	27 6,991	0 0	954 14,230	12 15	6,357 58,502	0 3,197	0 0	422 7,022	35 50
61 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	100% Yes / 0% No / 0% n/a				15	90% Yes / 2% No / 8% n/a				46
62 Do you limit 1-on-1 counseling by:													
a) Requiring that members be within a certain time period of earliest possible retirement?	Yes	Yes	Yes	20% Yes / 80% No / 0% n/a				15	16% Yes / 76% No / 8% n/a				46
b) Placing a limit on the number of counseling sessions a member can request?	No	No	No	0% Yes / 100% No / 0% n/a				15	4% Yes / 88% No / 8% n/a				46
c) Indicating that members should contact their employers or unions first for counseling?	No	No	No	0% Yes / 100% No / 0% n/a				15	2% Yes / 90% No / 8% n/a				46
d) Other (describe)? n/a	No	No	No	0% Yes / 100% No / 0% n/a				15	8% Yes / 80% No / 12% n/a				44
63 Do you provide counseling for walk-in traffic? If yes:	Yes	Yes	Yes	93% Yes / 7% No / 0% n/a				15	88% Yes / 4% No / 8% n/a				46
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)	25	20	20	25	9	0	9	14	25	5	0	8	43
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 is too long?	0.0%	0.0%	0.0%	5.0%	0.0%	0.0%	1.1%	14	5.0%	0.0%	0.0%	0.7%	43
64 Do you offer prescheduled 1-on-1 counseling? If yes: How long does a member that requests a pre-scheduled counseling session typically have to wait, in days, before he can meet with a counselor for 1-on-1 counseling session that takes place:	Yes	Yes	Yes	93% Yes / 7% No / 0% n/a				15	88% Yes / 4% No / 8% n/a				46
a) In-house?	32	35	35	32	3	0	5	14	40	1	0	6	44
b) In the field?	10	n/a	n/a	64	7	1	13	11	101	10	1	23	28
65 Do you offer 1-on-1 counseling sessions after normal working hours, such as evenings and/or weekends?	No	No	No	53% Yes / 47% No / 0% n/a				15	52% Yes / 40% No / 8% n/a				46
66 Do you provide 1-on-1 counseling in the field? If yes, indicate the number of different field locations where you provided 1-on-1 counseling last year that were at:	Yes	Yes	Yes	87% Yes / 13% No / 0% n/a				15	74% Yes / 18% No / 8% n/a				46

Survey Question	Your Response			Peers 2011					All Participants 2011				
	2011	2010	2009	Max	Med	Min	Avg	#	Max	Med	Min	Avg	#
a) Field offices staffed on a full-time basis and located in cities different from your main office?	0	1	1	25	1	0	3	11	25	1	0	2	24
b) Member's place of employment?	0	0	0	370	32	0	82	11	8,316	9	0	342	33
c) Intermittent locations (such as hotels, offices) separate from the member's place of employment?	12	0	0	275	16	0	51	11	2,667	13	0	108	34
67 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 / 12% No / 12% n/a				44
a2) Pre-scheduled in-house?	No	No	No	87% Yes / 7% No / 7% n/a				14	78% Yes / 12% No / 10% n/a				45
a3) In-the-field?	No	No	No	67% Yes / 20% No / 13% n/a				13	54% Yes / 24% No / 22% n/a				39
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	88% Yes / 0% No / 12% n/a				44
b2) Pre-scheduled in-house?	Yes	Yes	Yes	87% Yes / 7% No / 7% n/a				14	86% Yes / 4% No / 10% n/a				45
b3) In-the-field?	Yes	No	No	73% Yes / 13% No / 13% n/a				13	54% Yes / 26% No / 20% n/a				40
c) Can you provide new written estimates on a real-time basis for anybody that wants one?													
c1) Walk-in traffic in-house?	Yes	Yes	Yes	93% Yes / 0% No / 7% n/a				14	74% Yes / 14% No / 12% n/a				44
c2) Pre-scheduled in-house?	Yes	Yes	Yes	87% Yes / 7% No / 7% n/a				14	78% Yes / 12% No / 10% n/a				45
c3) In-the-field?	No	No	No	67% Yes / 20% No / 13% n/a				13	44% Yes / 36% No / 20% n/a				40
d) Can you provide accurate service credit purchase cost estimates 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	46% Yes / 34% No / 20% n/a				40
d2) pre-scheduled In-house?	Yes	Yes	Yes	67% Yes / 27% No / 7% n/a				14	52% Yes / 30% No / 18% n/a				41
d3) In-the-field?	No	No	No	47% Yes / 40% No / 13% n/a				13	30% Yes / 42% No / 28% n/a				36
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	20% Yes / 13% No / 67% n/a				5	12% Yes / 7% No / 81% n/a				8
e2) pre-scheduled In-house?	n/a	n/a	n/a	20% Yes / 20% No / 60% n/a				6	12% Yes / 9% No / 79% n/a				9
e3) In-the-field?	n/a	n/a	n/a	20% Yes / 13% No / 67% n/a				5	9% Yes / 9% No / 81% n/a				8
68 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	42% Yes / 50% No / 8% n/a				46

**Activity 2d - Member Presentations and Group Retirement**

Survey Question		Your Response			Peers 2011					All Participants 2011						
		2011	2010	2009	Max	Med	Min	Avg	#	Max	Med	Min	Avg	#		
69	Do you offer member presentations (including group counseling)? If you do not offer member presentations skip to question 77.	Yes	Yes	Yes	100% Yes / 0% No / 0% n/a					15	94% Yes / 6% No / 0% n/a					50
70	How many benefit fairs did you host or participate in?	12	18	21	299	32	4	69	15	299	12	0	39	41		
71	How many presentations (including group counseling sessions) for members or annuitants [Exclude presentations to employers] did you do that took place:															
	a) In-house?	303	237	204	303	19	0	54	15	303	5	0	29	46		
	b) In the field?	275	82	28	1,183	275	53	372	15	1,265	130	4	251	47		
	(Total Presentations)	578	319	232	1,279	383	83	426	15	1,279	160	0	263	50		
72	What was the total number of attendees at all of the presentations per question 71 above? [Exclude benefit fair attendees per question 70]	11,959	6,661	12,194	25,027	11,797	4,560	12,647	15	28,173	5,333	160	8,111	47		
73	Did you do specific presentations targeted solely for:															
	a) New members?	Yes	Yes	Yes	87% Yes / 13% No / 0% n/a					15	66% Yes / 28% No / 6% n/a					47
	b) Members in mid career?	Yes	No	No	73% Yes / 27% No / 0% n/a					15	56% Yes / 38% No / 6% n/a					47
	c) Members approaching retirement or ready to retire?	Yes	Yes	Yes	100% Yes / 0% No / 0% n/a					15	90% Yes / 4% No / 6% n/a					47
	d) Retirees?	Yes	Yes	Yes	67% Yes / 33% No / 0% n/a					15	46% Yes / 48% No / 6% n/a					47
	e) Other? (Please describe) n/a	No	No	No	73% Yes / 27% No / 0% n/a					15	56% Yes / 36% No / 8% n/a					46
74	Do you webcast presentations to members?	Yes	Yes	Yes	67% Yes / 33% No / 0% n/a					15	40% Yes / 54% No / 6% n/a					47
	a) If yes, how many presentations did you webcast last year?	39	1	1	72	15	2	24	10	72	5	1	17	20		
75	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	86% Yes / 8% No / 6% n/a					47
76	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	No	No	80% Yes / 20% No / 0% n/a					15	72% Yes / 22% No / 6% n/a					47
77	Do you offer written pension estimates to members? If no, go directly to question 84.	Yes	Yes	Yes	100% Yes / 0% No / 0% n/a					15	98% Yes / 2% No / 0% n/a					50
78	How many written estimates did you mail out pursuant to individual member requests? [Exclude estimates prepared during counseling sessions and not mailed in advance.]	28,768	19,595	17,842	173,490	15,912	562	27,687	15	173,490	6,794	20	13,711	49		
79	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?	Each Scenario	Each Scenario	Each Scenario	60% Each Scenario / 40% Single Estimate ,					15	52% Each Scenario / 46% Single Estimate ,					49

Survey Question	Your Response			Peers 2011					All Participants 2011				
	2011	2010	2009	Max	Med	Min	Avg	#	Max	Med	Min	Avg	#
a) If you count each scenario, what is the approximate average number of scenarios per request by a member?	1	1	1	15	2	1	3	9	15	2	1	2	26
80 On average, how many days does it take to provide a written estimate from the time of initial request from a member? [Exclude time in the mail.]	18	4	11	70	5	0	13	15	70	5	0	10	49
a) Is this a number you regularly measure and track (versus being an estimate)?	Yes	Yes	Yes	87% Yes / 13% No / 0% n/a				15	86% Yes / 12% No / 2% n/a				49
81 Can members request and obtain a written 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 an estimate.]	No	No	No	73% Yes / 27% No / 0% n/a				15	80% Yes / 18% No / 2% n/a				49
a) If no: describe the time constraint? <u>not earlier than 13 months prior to the earliest possible retirement date</u>													
82 Do you place a limit on the number of written estimates that a member can request?	No	No	No	27% Yes / 73% No / 0% n/a				15	24% Yes / 74% No / 2% n/a				49
a) If yes, describe the limit? <u>n/a</u>													
83 Do your written annuity pension estimates (including cover letters, etc. sent with the estimate):													
a) Clearly address if and how the pension benefit is inflation protected (or not protected)?	Yes	No	No	47% Yes / 53% No / 0% n/a				15	56% Yes / 42% No / 2% n/a				49
b) If your pension is coordinated with or reduced by social security (or CPP in Canada) is the impact explained?	Yes	Yes	Yes	47% Yes / 20% No / 33% n/a				10	47% Yes / 19% No / 35% n/a				28
c) Discuss alternative scenarios that could improve the benefit such as purchasing service credit or working longer?	Yes	Yes	Yes	80% Yes / 20% No / 0% n/a				15	72% Yes / 26% No / 2% n/a				49
d) Model alternative retirement payment options?	Yes	Yes	Yes	100% Yes / 0% No / 0% n/a				15	80% Yes / 18% No / 2% n/a				49
<b>Activity 2f Mass Communication: (i) Website</b>													
84 Are all, some or none of your forms available online?	Some	Some	Some	47% All / 0% None / 53% Some / 0% n/a				15	38% All / 2% None / 60% Some / 0% n/a				50
85 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	88% Yes / 12% No / 0% n/a				50
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	138,605	73,676	20,260	71,842	13	580,519	45,673	1,122	78,804	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	896,610	339,098	40,520	439,198	12	1,018,626	152,387	4,750	294,624	38
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	27% Yes / 67% No / 7% n/a				14	20% Yes / 68% No / 12% n/a				44



Survey Question		Your Response			Peers 2011					All Participants 2011						
		2011	2010	2009	Max	Med	Min	Avg	#	Max	Med	Min	Avg	#		
	d) Do you welcome the member by name on the home page of the secure member area?	n/a	n/a	n/a	80% Yes / 13% No / 7% n/a					14	70% Yes / 18% No / 12% n/a					44
	e) Are users required to acknowledge a disclaimer every time they log in or before they can generate a pension estimate?	n/a	n/a	n/a	33% Yes / 60% No / 7% n/a					14	36% Yes / 52% No / 12% n/a					44
86	Indicate whether the following capabilities are available on your website and provide volumes:															
	a) Benefit calculator in non-secure area?	Yes	Yes	Yes	73% Yes / 27% No / 0% n/a					15	54% Yes / 46% No / 0% n/a					50
	b) Benefit calculator in secure area not linked to member data?	No	No	No	20% Yes / 80% No / 0% n/a					15	12% Yes / 88% No / 0% n/a					50
	c) Benefit calculator in secure area linked to member's salary and service data?	No	No	No	73% Yes / 27% No / 0% n/a					15	80% Yes / 20% No / 0% n/a					50
	d) Service credit purchase calculator?	Yes	Yes	Yes	80% Yes / 20% No / 0% n/a					15	67% Yes / 33% No / 0% n/a					43
	e) Download forms?	Yes	Yes	Yes	100% Yes / 0% No / 0% n/a					15	98% Yes / 2% No / 0% n/a					50
	f) Register for counseling sessions or presentations?	No	No	No	73% Yes / 27% No / 0% n/a					15	56% Yes / 42% No / 2% n/a					49
	g) Change address?	No	No	No	73% Yes / 27% No / 0% n/a					15	58% Yes / 40% No / 2% n/a					42
	h) Change beneficiary?	No	No	No	47% Yes / 53% No / 0% n/a					15	40% Yes / 60% No / 0% n/a					43
	i) Change family information? [i.e., marital status, partner, dependents]	No	No	No	33% Yes / 67% No / 0% n/a					15	23% Yes / 74% No / 2% n/a					42
	j) Change banking information for direct deposit?	No	No	No	27% Yes / 73% No / 0% n/a					15	26% Yes / 72% No / 2% n/a					42
	k) Change tax withholding amount?	No	No	No	47% Yes / 53% No / 0% n/a					15	34% Yes / 64% No / 2% n/a					49
	l) Download or print duplicate tax receipts? [i.e., 1099s in the U.S.]	No	No	No	73% Yes / 27% No / 0% n/a					15	52% Yes / 46% No / 2% n/a					49
	m) View annuity payment details? [i.e., gross amounts, deductions]	No	No	No	87% Yes / 13% No / 0% n/a					15	60% Yes / 40% No / 0% n/a					50
	n) Apply for retirement?	No	No	No	33% Yes / 67% No / 0% n/a					15	26% Yes / 72% No / 2% n/a					49
	o) View status of disability application?	No	No	No	7% Yes / 93% No / 0% n/a					15	2% Yes / 96% No / 2% n/a					49
	p) Secure mailbox?	No	No	No	47% Yes / 53% No / 0% n/a					15	28% Yes / 72% No / 0% n/a					50
	q) Download member statement (i.e., Adobe format)?	No	No	No	67% Yes / 33% No / 0% n/a					15	62% Yes / 38% No / 0% n/a					50
	r) View pensionable earnings and/or service without downloading?	No	No	No	87% Yes / 13% No / 0% n/a					15	84% Yes / 16% No / 0% n/a					50
	If yes:															
	r1) Are both salary and service data available?	n/a	n/a	n/a	87% Yes / 0% No / 13% n/a					13	80% Yes / 4% No / 16% n/a					42
	r2) Is online data up-to-date to the most recent pay period?	n/a	n/a	n/a	60% Yes / 27% No / 13% n/a					13	56% Yes / 28% No / 16% n/a					42
	r3) Is a complete annual history from the beginning of employment provided?	n/a	n/a	n/a	60% Yes / 27% No / 13% n/a					13	44% Yes / 40% No / 16% n/a					42
	s) If you administer a core DC or hybrid DB/ DC plan:															
	s1) Switch between investment options?	No	No	No	33% Yes / 13% No / 53% n/a					7	16% Yes / 12% No / 72% n/a					12
	s2) Change deferral percentage selections for regular contributions?	No	No	No	20% Yes / 27% No / 53% n/a					7	9% Yes / 19% No / 72% n/a					12
	s3) Initiate withdrawals?	No	No	No	13% Yes / 33% No / 53% n/a					7	7% Yes / 21% No / 72% n/a					12

Survey Question	Your Response			Peers 2011					All Participants 2011						
	2011	2010	2009	Max	Med	Min	Avg	#	Max	Med	Min	Avg	#		
s4) View current valuation of their account?	No	No	n/a	40% Yes / 7% No / 53% n/a					7	19% Yes / 9% No / 72% n/a					12
If yes, volume?															
a) Benefit calculator in non-secure area?	238,292	Unknown	Unknown	531,394	115,793	6,542	155,126	11	531,394	60,539	6,000	104,773	27		
b) Benefit calculator in secure area not linked to member data?	n/a	n/a	n/a	29,798	5,000	4,181	12,993	3	31,364	11,250	1,364	13,528	7		
c) Benefit calculator in secure area linked to member's salary and service data?	n/a	n/a	n/a	989,321	140,541	30,951	211,533	11	989,321	61,384	3,000	119,113	39		
d) Service credit purchase calculator?	105,234	Unknown	Unknown	119,346	17,045	1,200	32,579	12	119,346	12,361	454	20,742	28		
e) Download forms?	500,000	Unknown	Unknown	500,000	132,963	34,724	190,915	15	686,593	54,317	1,000	129,790	48		
f) Register for counseling sessions or presentations?	n/a	n/a	n/a	47,676	3,232	325	8,889	11	47,676	2,818	325	7,605	27		
g) Change address?	n/a	n/a	n/a	47,806	7,279	2,113	11,691	11	47,806	6,535	0	9,117	25		
h) Change beneficiary?	n/a	n/a	n/a	182,451	7,816	114	32,763	7	182,451	7,816	114	18,258	17		
i) Change family information? [i.e., marital status, partner, dependents]	n/a	n/a	n/a	182,736	27,171	753	52,888	5	182,736	17,783	200	30,228	10		
j) Change banking information for direct deposit?	n/a	n/a	n/a	13,772	3,061	104	5,000	4	13,772	1,128	104	2,305	11		
k) Change tax withholding amount?	n/a	n/a	n/a	21,503	3,319	187	7,516	7	21,503	1,199	187	4,551	17		
l) Download or print duplicate tax receipts? [i.e., 1099s in the U.S.]	n/a	n/a	n/a	30,582	7,506	982	9,270	11	35,322	6,012	305	8,615	26		
m) View annuity payment details? [i.e., gross amounts, deductions]	n/a	n/a	n/a	188,365	36,689	6,028	58,087	13	281,653	26,909	89	59,451	30		
n) Apply for retirement?	n/a	n/a	n/a	11,930	985	90	3,408	5	14,517	1,333	50	3,715	13		
o) View status of disability application?	n/a	n/a	n/a	0	0	0	0	1	0	0	0	0	1		
p) Secure mailbox?	n/a	n/a	n/a	133,360	24,636	1,520	35,523	6	1,328,084	25,371	849	154,021	13		
q) Download member statement (i.e., Adobe format)?	n/a	n/a	n/a	274,557	83,469	2,775	93,842	9	406,092	22,829	500	75,360	30		
r) View pensionable earnings and/or service without downloading?	n/a	n/a	n/a	720,401	248,785	13,544	244,142	13	1,580,219	109,965	400	241,648	42		
s) If you administer a core DC or hybrid DB/ DC plan:															
s1) Switch between investment options?	n/a	n/a	n/a	21,670	10,387	1,821	11,066	4	21,670	4,758	884	8,740	6		
s2) Change deferral percentage selections for regular contributions?	n/a	n/a	n/a	2,094	1,587	1,080	1,587	2	15,106	2,094	1,080	6,093	3		
s3) Initiate withdrawals?	n/a	n/a	n/a	10,269	6,139	2,008	6,139	2	10,269	2,008	704	4,327	3		
s4) View current valuation of their account?	n/a	n/a	n/a	494,398	111,012	19,794	208,401	3	494,398	111,012	19,794	220,622	5		
87 What was the percentage "down-time" when your website was unavailable for any reason last year?	1.0%	0.1%	0.1%	3.8%	0.5%	0.0%	0.9%	15	4.0%	0.5%	0.0%	0.7%	50		
<b>Activity 2f Mass Communication: (ii) Publications</b>															
88 Do you send newsletters (and/ or news magazines), and if yes how frequently, to:															
a) Active members?	Yes	Yes	Yes	100% Yes / 0% No / 0% n/a					15	92% Yes / 8% No / 0% n/a					50

Survey Question		Your Response			Peers 2011					All Participants 2011						
		2011	2010	2009	Max	Med	Min	Avg	#	Max	Med	Min	Avg	#		
	b) Retired members?	Yes	Yes	Yes	100% Yes / 0% No / 0% n/a					15	94% Yes / 6% No / 0% n/a					50
	c) All inactive members?	Yes	Yes	Yes	53% Yes / 47% No / 0% n/a					15	46% Yes / 54% No / 0% n/a					50
	d) Only inactive members that request it?	No	No	No	27% Yes / 73% No / 0% n/a					15	36% Yes / 60% No / 4% n/a					48
	# times per year															
	a) Active members?	3	3	3	8	3	1	3	15	19	3	1	4	46		
	b) Retired members?	3	3	3	5	2	1	3	15	14	3	1	3	47		
	c) All inactive members?	1	1	1	4	2	1	2	8	4	2	0	2	23		
89	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%	24.9%	15	100.0%	0.0%	0.0%	17.7%	46		
	b) Mailed directly to members' homes?	0.0%	0.0%	0.0%	100.0%	93.0%	0.0%	61.3%	15	100.0%	95.0%	0.0%	62.6%	46		
	c) Emailed to members?	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	13.7%	15	100.0%	0.0%	0.0%	17.5%	46		
90	Can members choose between receiving newsletters by email versus mail?	No	No	Yes	40% Yes / 60% No / 0% n/a					15	36% Yes / 64% No / 0% n/a					50
91	Do you have a different newsletter for active and retired members?	No	No	No	93% Yes / 7% No / 0% n/a					15	66% Yes / 32% No / 2% n/a					49
	<u>Member Statement</u>															
92	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	1	Annually	4	1	1	1	15	5	1	0	1	50		
	b) Inactive members?	1	1	Annually	4	1	0	1	15	5	1	0	1	48		
93	Approximately what % of members complain about the accuracy of data in their member statements?	0.5%	0.9%	0.9%	2.0%	0.3%	0.0%	0.6%	15	2.0%	0.3%	0.0%	0.5%	50		
94	Indicate the approximate percentage breakdown of how you send member statements to active members:															
	a) Directed through the employer?	84.0%	100.0%	100.0%	84.0%	0.0%	0.0%	10.9%	15	100.0%	0.0%	0.0%	11.6%	48		
	b) Mailed directly to members' homes?	16.0%	0.0%	0.0%	100.0%	95.0%	0.0%	66.6%	15	100.0%	100.0%	0.0%	75.9%	49		
	c) Email notice to members that the statement is available in the secure member area?	0.0%	0.0%	0.0%	100.0%	0.2%	0.0%	29.1%	15	100.0%	0.0%	0.0%	12.7%	49		
95	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.]	4	4	4	6	3	1	3	15	7	3	1	3	49		
96	Do your statements for active members include:															

Survey Question	Your Response			Peers 2011					All Participants 2011				
	2011	2010	2009	Max	Med	Min	Avg	#	Max	Med	Min	Avg	#
a) Total accumulated service credit?	Yes	Yes	Yes	100% Yes / 0% No / 0% n/a				15	92% Yes / 6% No / 2% n/a			49	
b) Pensionable earnings?	Yes	Yes	Yes	87% Yes / 13% No / 0% n/a				15	82% Yes / 16% No / 2% n/a			49	
c) A historical summary of salary and service credit earned each year?	No	No	No	53% Yes / 47% No / 0% n/a				15	28% Yes / 70% No / 2% n/a			49	
d) The refund value if you left at the statement date?	Yes	Yes	Yes	87% Yes / 13% No / 0% n/a				15	62% Yes / 34% No / 4% n/a			48	
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	80% Yes / 18% No / 2% n/a			49	
<u>Mass Communication Other</u>													
97 Are new members issued a 'welcome' kit describing their benefits?	Yes	Yes	Yes	93% Yes / 7% No / 0% n/a				15	90% Yes / 10% No / 0% n/a			50	
98 Do you send your members a general brochure with a complete summary of the benefits every year?	No	No	No	27% Yes / 73% No / 0% n/a				15	26% Yes / 74% No / 0% n/a			50	
99 Do you prepare and send a stand-alone summary of the annual report to: [In the United States this is often called a Popular or Summary Annual Financial Report. Exclude annual financial summaries printed in your newsletters, member statements or other publications.]													
a) All active members?	No	No	No	33% Yes / 67% No / 0% n/a				15	46% Yes / 54% No / 0% n/a			50	
b) All retirees?	No	No	No	33% Yes / 67% No / 0% n/a				15	46% Yes / 54% No / 0% n/a			50	
100 Do you automatically send out letters informing members when they become, or are about to become:													
a) Vested for pension benefits?	No	No	No	27% Yes / 73% No / 0% n/a				15	23% Yes / 74% No / 2% n/a			42	
b) Vested for disability benefits?	No	No	No	20% Yes / 80% No / 0% n/a				15	14% Yes / 74% No / 12% n/a			38	
c) Eligible for retirement?	No	No	No	33% Yes / 67% No / 0% n/a				15	38% Yes / 62% No / 0% n/a			50	
d) Other milestones? (describe below)	Yes	Yes	Yes	67% Yes / 33% No / 0% n/a				15	72% Yes / 28% No / 0% n/a			50	
<u>Inactive members age 69.5 and 70.5 (minimum distribution - federal rules)</u>													
101 Do you actively solicit member feedback on your publications through:													
a) Focus groups?	No	No	No	20% Yes / 80% No / 0% n/a				15	40% Yes / 60% No / 0% n/a			50	
b) Tear out surveys or feedback cards in the publications themselves?	No	No	No	7% Yes / 93% No / 0% n/a				15	14% Yes / 86% No / 0% n/a			50	
c) Surveys sent to members who request a publication?	No	No	No	7% Yes / 93% No / 0% n/a				15	12% Yes / 88% No / 0% n/a			50	
d) Other (describe)	No	Yes	No	40% Yes / 60% No / 0% n/a				15	42% Yes / 50% No / 8% n/a			46	
<u>n/a</u>													

Survey Question	Your Response			Peers 2011					All Participants 2011						
	2011	2010	2009	Max	Med	Min	Avg	#	Max	Med	Min	Avg	#		
102 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?	Yes	No	No	7% Yes / 93% No / 0% n/a					15	22% Yes / 78% No / 0% n/a					50
b) Annual report?	No	No	No	0% Yes / 100% No / 0% n/a					15	28% Yes / 72% No / 0% n/a					50
c) Newsletters?	Yes	No	No	20% Yes / 80% No / 0% n/a					15	24% Yes / 76% No / 0% n/a					50
d) Website?	No	No	No	13% Yes / 87% No / 0% n/a					15	32% Yes / 68% No / 0% n/a					50
e) Brochures and pamphlets?	No	No	No	20% Yes / 80% No / 0% n/a					15	36% Yes / 64% No / 0% n/a					50
<b>Activity 3 Collections and Data Maintenance</b>															
103 Number of:															
a) Employers at the end of your fiscal year?	1,474	1,469	1,465	3,689	1,474	547	1,755	15	150,500	633	1	5,889	50		
b) Employers that joined your system during the fiscal year?	6	10	15	40	7	0	12	14	16,323	6	0	493	48		
c) Employers that exited your system during the fiscal year?	1	3	5	26	2	0	6	15	14,528	2	0	432	49		
104 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?	1,474	1,469	1,465	3,074	1,143	63	1,547	15	50,000	462	1	3,237	50		
b) Money (i.e., contributions)?	1,474	1,469	1,465	3,074	1,162	63	1,546	15	50,000	487	1	3,690	50		
[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.]															
105 How many 'reconciliation points' (i.e., employers, state agencies, departments and/or service providers, etc.) do you deal with when:															
a) Validating member data?	1,474	1,469	1,465	3,084	1,474	2	1,662	15	31,879	462	1	2,323	50		
b) Reconciling money issues (i.e., contributions)?	1,474	1,469	1,465	3,084	1,325	63	1,589	15	34,892	462	1	2,713	50		
[For most systems, the number of 'reconciliation points' will be the same as the number of 'collection points' per question 104 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.]															
106 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?															

Survey Question	Your Response			Peers 2011					All Participants 2011				
	2011	2010	2009	Max	Med	Min	Avg	#	Max	Med	Min	Avg	#
a) 100% electronic? [No manual steps required unless there are errors.]	0	0	0	2,860	825	0	992	15	50,000	43	0	2,471	50
b) Mostly electronic? [For example, some systems receive files by internet and then must manually start a program that uploads the file.]	1,264	851	761	2,598	0	0	298	15	2,598	0	0	136	50
c) Computer readable? [i.e., via computer tape or disk]	0	0	0	0	0	0	0	15	1,046	0	0	29	50
d) Paper?	210	618	698	1,900	119	0	262	15	13,076	0	0	599	50
Total # of active members													
a) 100% electronic? [No manual steps required unless there are errors.]	0.0k	0.0k	0.0k	220,830.0k	219.0k	0.0k	14,931.2k	15	220,830.0k	107.2k	0.0k	9,174.9k	49
b) Mostly electronic? [For example, some systems receive files by internet and then must manually start a program that uploads the file.]	262.0k	256.3k	256.0k	340.0k	0.0k	0.0k	67.4k	15	51,961.0k	0.0k	0.0k	1,109.1k	50
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	2,100.0k	0.0k	0.0k	73.7k	49
d) Paper?	4.0k	11.0k	12.0k	13,424.0k	0.2k	0.0k	898.5k	15	13,424.0k	0.0k	0.0k	279.8k	49
107 How many warrants of execution or court orders did you obtain against delinquent employers?	0	0	0	157	0	0	13	13	32,076	0	0	1,160	40
108 What % of your active and inactive member on-line 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. On-line data may be inaccurate because of poor collection processes, or poor transfer of paper records in the past, or merging in new employers with bad data etc	95.0%	95.0%	95.0%	99.0%	95.0%	70.0%	91.9%	15	100.0%	95.0%	65.0%	92.0%	50
109 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				50
110 Do you have a diagnostic software system for detecting and correcting contribution errors?	No	No	No	87% Yes / 13% No / 0% n/a				15	80% Yes / 20% No / 0% n/a				50
111 When you get an address change, how many systems do you need to update? <b>Activity 3b - Service to Employers</b>	9	9	9	9	1	1	2	15	9	1	1	1	50
112 Number of:													
a) Incoming calls from employers?	8,094	12,028	15,000	53,022	18,600	6,888	20,665	15	142,510	8,958	23	17,582	48
b) Email queries from employers?	547	456	250	144,681	6,318	547	18,562	15	144,681	4,600	28	10,384	48
c) Conferences for employers?	81	0	0	81	0	0	9	15	104	0	0	9	45
d) Presentations given to employers such as orientation workshops or seminars on benefit changes, etc?	104	13	12	174	33	3	49	15	1,247	18	0	61	49

Survey Question	Your Response			Peers 2011					All Participants 2011				
	2011	2010	2009	Max	Med	Min	Avg	#	Max	Med	Min	Avg	#
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	n/a	528	9	0	92	12	5,394	2	0	288	29
f) Other site visits to employers [exclude 'd' and 'e' above]	0	0	0	130	7	0	25	15	5,160	5	0	257	48
113 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	88% Yes / 10% No / 2% n/a				49
114 How many different types of presentations did you give to employers?  Describe the topic for each different presentation type given to employers below: <u>On-line earnings report</u> <u>USERRA</u> <u>Annual Reconciliation</u> <u>Rehired Annuitants</u> <u>Eligibility and Employment Category Changes</u> <u>WRS Orientation</u> <u>Monthly Remittance</u> <u>Earnings and Creditable Service</u> <u>Periodic Reporting</u> <u>Listening Sessions</u>	11	2	1	20	7	3	7	15	20	5	0	5	49
115 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	100% Yes / 0% No / 0% n/a				15	74% Yes / 24% No / 2% n/a				49
	35	47	40	35	12	2	12	15	40	6	2	11	37
116 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	20% Yes / 80% No / 0% n/a				15	26% Yes / 72% No / 2% n/a				49
117 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?	Yes	Yes	Yes	100% Yes / 0% No / 0% n/a				15	78% Yes / 20% No / 2% n/a				49
	Yes	Yes	Yes	93% Yes / 7% No / 0% n/a				15	72% Yes / 6% No / 22% n/a				39
	No	No	No	80% Yes / 20% No / 0% n/a				15	50% Yes / 26% No / 24% n/a				38

Survey Question	Your Response			Peers 2011					All Participants 2011						
	2011	2010	2009	Max	Med	Min	Avg	#	Max	Med	Min	Avg	#		
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	No	No	53% Yes / 47% No / 0% n/a					15	42% Yes / 34% No / 24% n/a					38
118 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	28% Yes / 66% No / 6% n/a					47
119 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?	Yes	Yes	Yes	80% Yes / 20% No / 0% n/a					15	88% Yes / 12% No / 0% n/a					50
b) Non-board legislative oversight committee?	Yes	Yes	Yes	67% Yes / 33% No / 0% n/a					15	42% Yes / 58% No / 0% n/a					50
c) Advisory committee?	Yes	Yes	No	47% Yes / 53% No / 0% n/a					15	30% Yes / 70% No / 0% n/a					50
d) Members' Council?	No	No	No	0% Yes / 100% No / 0% n/a					15	22% Yes / 78% No / 0% n/a					50
e) Other (describe below)? <u>advisory and appeals (JI, TR and WR Boards)</u>	Yes	Yes	Yes	20% Yes / 80% No / 0% n/a					15	32% Yes / 66% No / 2% n/a					49
# of meetings, including sub-committees, last year															
a) Board of Trustees?	4	4	4	68	26	4	25	12	96	23	1	26	43		
b) Non-board legislative oversight committee?	1	1	1	37	6	1	9	10	37	6	1	8	20		
c) Advisory committee?	8	8	8	13	8	1	7	7	14	4	1	6	14		
d) Members' Council?	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0	12	5	1	5	11		
e) Other (describe below)?	12	12	12	12	5	3	7	3	30	8	3	10	16		
120 Do you have back-up equipment and premises arranged for your operations if substantial damage occurs at your principal location?	Yes	Yes	Yes	93% Yes / 7% No / 0% n/a					15	92% Yes / 8% No / 0% n/a					50
121 Do you have an independent auditor that reviews and tests the disaster recovery plan?	No	Old	New	40% Yes / 60% No / 0% n/a					15	44% Yes / 56% No / 0% n/a					50
122 If your principal location became inoperable due to some disaster (such as fire, tornado, etc), how long would it take in days for you to:															
a) Continue paying pension payments to retirees?	12	3	3	12	1	0	3	15	28	2	0	3	50		
b) Begin doing new pension inceptions at normal volumes?	25	15	15	30	5	0	10	15	120	7	0	15	50		
c) Collect data and money from employers?	35	3	3	35	4	0	7	15	41	3	0	7	50		
d) Respond to member calls at close to current service levels?	3	3	3	30	3	0	6	15	120	4	0	11	50		
123 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?	Yes	Yes	No	53% Yes / 47% No / 0% n/a					15	48% Yes / 52% No / 0% n/a					50



Survey Question	Your Response			Peers 2011					All Participants 2011				
	2011	2010	2009	Max	Med	Min	Avg	#	Max	Med	Min	Avg	#
<p>a) If yes, describe:  <u>Proposed changes to prohibit employer pick-up of employee required contributions and other matters caused a drastic spike in inquires and retirement related activity. Proposed changes were subsequently enacted into law in FY 12.</u>  <b>Satisfaction</b></p>													
<p>124 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.</p> <p><u>1-on-1 counseling</u></p> <p>a) Did you survey satisfaction regarding this activity in your most recently ended fiscal year?</p> <p>b) Did the survey focus primarily on this single activity? (versus including other activities)</p> <p>c) What was the longest possible time in days between the activity and the survey?</p> <p>d) How often did you survey about the activity?</p> <p>e) Can you break down the survey results by service agent?</p> <p><u>Member presentations</u></p> <p>a) Did you survey satisfaction regarding this activity in your most recently ended fiscal year?</p> <p>b) Did the survey focus primarily on this single activity? (versus including other activities)</p> <p>c) What was the longest possible time in days between the activity and the survey?</p> <p>d) How often did you survey about the activity?</p> <p>e) Can you break down the survey results by service agent?</p> <p><u>Member telephone calls</u></p> <p>a) Did you survey satisfaction regarding this activity in your most recently ended fiscal year?</p> <p>b) Did the survey focus primarily on this single activity? (versus including other activities)</p> <p>c) What was the longest possible time in days between the activity and the survey?</p> <p>d) How often did you survey about the activity?</p> <p>e) Can you break down the survey results by service agent?</p> <p><u>Pension inceptions</u></p>	Yes	Yes	Yes	100% Yes / 0% No / 0% n/a			15	90% Yes / 10% No / 0% n/a			50		
	No	No	No	87% Yes / 13% No / 0% n/a			15	58% Yes / 26% No / 16% n/a			42		
	n/a	n/a	n/a	80% Yes / 7% No / 13% n/a			13	50% Yes / 8% No / 42% n/a			29		
	n/a	n/a	n/a	60	1	0	7	12	60	1	0	7	28
	n/a	n/a	n/a	250	250	12	232	13	250	250	12	219	29
	n/a	n/a	n/a	53% Yes / 33% No / 13% n/a			13	36% Yes / 22% No / 42% n/a			29		
	Yes	Yes	Yes	100% Yes / 0% No / 0% n/a			15	78% Yes / 8% No / 14% n/a			43		
	Yes	Yes	Yes	100% Yes / 0% No / 0% n/a			15	76% Yes / 2% No / 22% n/a			39		
	0	0	1	60	1	0	6	15	60	1	0	5	38
	Continuous	Continuous	Continuous	250	250	1	233	15	250	250	1	207	39
	Yes	Yes	Yes	87% Yes / 13% No / 0% n/a			15	64% Yes / 14% No / 22% n/a			39		
	No	No	No	67% Yes / 33% No / 0% n/a			15	56% Yes / 34% No / 10% n/a			45		
	n/a	n/a	n/a	40% Yes / 27% No / 33% n/a			10	42% Yes / 14% No / 44% n/a			28		
	n/a	n/a	n/a	365	21	0	134	9	365	21	0	96	27
	n/a	n/a	n/a	250	8	1	55	10	250	12	1	110	28
	n/a	n/a	n/a	47% Yes / 20% No / 33% n/a			10	32% Yes / 24% No / 44% n/a			28		

Survey Question	Your Response			Peers 2011					All Participants 2011						
	2011	2010	2009	Max	Med	Min	Avg	#	Max	Med	Min	Avg	#		
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	58% Yes / 30% No / 12% n/a					44
b) Did the survey focus primarily on this single activity? (versus including other activities)	n/a	n/a	n/a	47% Yes / 20% No / 33% n/a					10	44% Yes / 14% No / 42% n/a					29
c) What was the longest possible time in days between the activity and the survey?	n/a	n/a	n/a	365	22	2	80	10	365	30	0	66	29		
d) How often did you survey about the activity?	n/a	n/a	n/a	250	12	1	79	10	250	12	1	100	29		
<u>Written benefit estimates</u>															
a) Did you survey satisfaction regarding this activity in your most recently ended fiscal year?	No	No	No	47% Yes / 53% No / 0% n/a					15	46% Yes / 42% No / 12% n/a					44
b) Did the survey focus primarily on this single activity? (versus including other activities)	n/a	n/a	n/a	13% Yes / 33% No / 53% n/a					7	20% Yes / 26% No / 54% n/a					23
c) What was the longest possible time in days between the activity and the survey?	n/a	n/a	n/a	90	11	3	25	6	285	14	0	38	22		
d) How often did you survey about the activity?	n/a	n/a	n/a	250	131	1	129	6	250	151	1	131	22		
<u>Website - secure member area</u>															
a) Did you survey satisfaction regarding this activity in your most recently ended fiscal year?	No	No	New	47% Yes / 53% No / 0% n/a					15	40% Yes / 48% No / 12% n/a					44
b) Did the survey focus primarily on this single activity? (versus including other activities)	n/a	n/a	New	20% Yes / 27% No / 53% n/a					7	24% Yes / 16% No / 60% n/a					20
c) What was the longest possible time in days between the activity and the survey?	n/a	n/a	New	365	1	0	106	7	365	14	0	105	19		
d) How often did you survey about the activity?	n/a	n/a	New	250	250	1	143	7	250	3	1	91	20		
<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	27% Yes / 73% No / 0% n/a					15	36% Yes / 52% No / 12% n/a					44
b) Did the survey focus primarily on this single activity? (versus including other activities)	n/a	n/a	n/a	13% Yes / 13% No / 73% n/a					4	20% Yes / 16% No / 64% 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	22	14	106	4	365	14	0	45	18		
d) How often did you survey about the activity?	n/a	n/a	n/a	250	131	1	128	4	250	250	1	144	18		
<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	46% Yes / 44% No / 10% n/a					45
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	26% Yes / 20% No / 54% n/a					23
c) What was the longest possible time in days between the activity and the survey?	n/a	n/a	n/a	365	30	3	88	5	365	22	0	54	22		
d) How often did you survey about the activity?	n/a	n/a	n/a	250	12	1	105	5	250	250	1	141	22		
<u>Disability</u>															

Survey Question	Your Response			Peers 2011					All Participants 2011				
	2011	2010	2009	Max	Med	Min	Avg	#	Max	Med	Min	Avg	#
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	40% Yes / 44% No / 16% n/a				42
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	28% Yes / 12% No / 60% n/a				20
c) What was the longest possible time in days between the activity and the survey?	n/a	n/a	n/a	365	29	14	136	6	365	30	0	66	20
d) How often did you survey about the activity?	n/a	n/a	n/a	250	19	1	90	6	250	19	1	117	20
<u>Service to employers</u>													
a) Did you survey satisfaction regarding this activity in your most recently ended fiscal year?	Yes	No	No	60% Yes / 40% No / 0% n/a				15	44% Yes / 46% No / 10% n/a				45
d) How often did you survey about the activity?	Continuous	n/a	n/a	250	1	1	112	9	250	4	1	82	22
125 If you surveyed satisfaction regarding the secure member area on your website, was the survey electronic (i.e., email or web based)?	No	No	New	33% Yes / 40% No / 27% n/a				11	20% Yes / 48% No / 32% n/a				34
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	New	7% Yes / 27% No / 67% n/a				5	6% Yes / 16% No / 78% n/a				11
b) Did you survey 100% of users (versus a sample such as every 100th user)?	n/a	n/a	New	33% Yes / 0% No / 67% n/a				5	18% Yes / 4% No / 78% n/a				11
b1) If yes, do you survey all visitors (meaning the same unique user can be surveyed multiple times)?	n/a	New	New	21% Yes / 29% No / 50% n/a				7	22% Yes / 22% No / 55% n/a				22
<u>Plan Design</u>													
<u>Plan Characteristics</u>													
126 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	6% Yes / 94% No / 0% n/a				50
b) Participating Local Employers (i.e. municipalities have a choice in participating in your plan)?	Yes	Yes	Yes	73% Yes / 27% No / 0% n/a				15	46% Yes / 54% No / 0% n/a				50
c) State, Province, Country?	Yes	Yes	Yes	80% Yes / 20% No / 0% n/a				15	68% Yes / 32% No / 0% n/a				50
d) Teachers?	Yes	Yes	Yes	73% Yes / 27% No / 0% n/a				15	48% Yes / 52% No / 0% n/a				50
e) School Employees (Custodians, Admin. Staff)?	Yes	Yes	Yes	80% Yes / 20% No / 0% n/a				15	56% Yes / 44% No / 0% n/a				50
f) Safety (Police, Fire, Sheriff's Dept, etc) ?	Yes	Yes	Yes	73% Yes / 27% No / 0% n/a				15	54% Yes / 46% No / 0% n/a				50
g) Other (Judges, Legislators, etc)?	Yes	Yes	Yes	80% Yes / 20% No / 0% n/a				15	54% Yes / 46% No / 0% n/a				50
h) Corporate?	No	No	No	0% Yes / 100% No / 0% n/a				15	14% Yes / 86% No / 0% n/a				50
i) Industry?	No	No	No	0% Yes / 100% No / 0% n/a				15	14% Yes / 86% No / 0% n/a				50
i1) If Industry, describe the industry:	n/a												

Survey Question	Your Response			Peers 2011					All Participants 2011				
	2011	2010	2009	Max	Med	Min	Avg	#	Max	Med	Min	Avg	#
127	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	90% Yes / 10% No / 0% n/a			50
	b) DC Cash Balance (aka Money Purchase)?			No	No	No	7% Yes / 93% No / 0% n/a		15	2% Yes / 98% No / 0% n/a			50
	c) Hybrid DB/ DC Cash Balance?			Yes	Yes	Yes	13% Yes / 87% No / 0% n/a		15	6% Yes / 94% No / 0% n/a			50
	d) Hybrid DB/ Money Match?			No	No	No	7% Yes / 93% No / 0% n/a		15	2% Yes / 98% No / 0% n/a			43
	e) DROP savings?			No	No	No	13% Yes / 87% No / 0% n/a		15	7% Yes / 93% No / 0% n/a			43
	f) Defined Contribution ("DC")?			No	No	No	20% Yes / 80% No / 0% n/a		15	12% Yes / 88% No / 0% n/a			50
	g) Hybrid DB/ DC?			Yes	Yes	No	60% Yes / 40% No / 0% n/a		15	28% Yes / 72% No / 0% n/a			50
	h) Other (describe)?			No	No	No	7% Yes / 93% No / 0% n/a		15	8% Yes / 90% No / 2% n/a			49
	n/a												
128	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'?			Yes	Yes	Yes	13% Yes / 87% No / 0% n/a		15	5% Yes / 95% No / 0% n/a			43
	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.]			Yes	Yes	Yes	27% Yes / 73% No / 0% n/a		15	9% Yes / 91% No / 0% n/a			43
	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.]			No	No	No	7% Yes / 93% No / 0% n/a		15	7% Yes / 93% No / 0% n/a			43
129	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	67% Yes / 33% No / 0% n/a			43
130	Are any of the following activities administered by a third party:												
	a) DB administration?			No	No	New	0% Yes / 100% No / 0% n/a		15	16% Yes / 84% No / 0% n/a			50
	b) DC administration?			Yes	Yes	New	73% Yes / 20% No / 7% n/a		14	34% Yes / 36% No / 30% n/a			35
	c) Pensioner data maintenance?			No	No	New	0% Yes / 100% No / 0% n/a		15	16% Yes / 84% No / 0% n/a			50

Survey Question	Your Response			Peers 2011					All Participants 2011						
	2011	2010	2009	Max	Med	Min	Avg	#	Max	Med	Min	Avg	#		
d) Active member data maintenance?	No	No	New	0% Yes / 100% No / 0% n/a					15	14% Yes / 86% No / 0% n/a					50
e) Contribution collection?	No	No	New	7% Yes / 93% No / 0% n/a					15	14% Yes / 86% No / 0% n/a					50
f) Disability decisions?	Yes	Yes	New	27% Yes / 73% No / 0% n/a					15	30% Yes / 62% No / 8% n/a					46
131 Which of the following programs do you offer to members AND administer yourself (i.e., design, enrolment, premium collection)?															
a) Pre-retirement health?	Yes	Yes	Yes	13% Yes / 87% No / 0% n/a					15	9% Yes / 91% No / 0% n/a					43
b) Post-retirement health?	Yes	Yes	Yes	53% Yes / 47% No / 0% n/a					15	28% Yes / 72% No / 0% n/a					43
c) Pre-retirement dental and vision?	No	No	No	7% Yes / 93% No / 0% n/a					15	5% Yes / 95% No / 0% n/a					43
d) Post-retirement dental and vision?	No	No	No	40% Yes / 60% No / 0% n/a					15	19% Yes / 81% No / 0% n/a					43
e) Long-term care insurance?	Yes	Yes	Yes	33% Yes / 67% No / 0% n/a					15	16% Yes / 84% No / 0% n/a					43
f) Loans to members?	No	No	No	20% Yes / 80% No / 0% n/a					15	9% Yes / 91% No / 0% n/a					43
g) Optional tax deferred savings plans (i.e., 457, 403, 401k, 401a, etc)?	Yes	Yes	Yes	47% Yes / 53% No / 0% n/a					15	26% Yes / 74% No / 0% n/a					43
h) Optional insurance (i.e., life and/or auto and/or home)?	Yes	Yes	Yes	33% Yes / 67% No / 0% n/a					15	23% Yes / 77% No / 0% n/a					43
i) Other (describe)?	Yes	Yes	Yes	27% Yes / 73% No / 0% n/a					15	26% Yes / 70% No / 5% n/a					41
<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>															
132 Is your organization directly responsible for both investments and pension administration?	No	No	No	67% Yes / 33% No / 0% n/a					15	74% Yes / 26% No / 0% n/a					50
133 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	20% Yes / 80% No / 0% n/a					50
134 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.]	No	No	No	33% Yes / 60% No / 7% n/a					14	51% Yes / 47% No / 2% n/a					42
<u>Paying Pension Rules</u>															
135 Do you make payments to annuitants that are accounted for separately from the normal pension?	Yes	Yes	Yes	80% Yes / 20% No / 0% n/a					15	44% Yes / 56% No / 0% n/a					43

Survey Question	Your Response			Peers 2011					All Participants 2011				
	2011	2010	2009	Max	Med	Min	Avg	#	Max	Med	Min	Avg	#
<p>For example :</p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• 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).</li> </ul>													
<p>136 Do you:</p> <p>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.]</p> <p>b) Check income of disabled members after they have started receiving disability payments?</p> <p>c) Check school status? [For example, some systems will check that a dependent beneficiary is still eligible to receive a survivor pension benefit.]</p> <p>d) Do proof-of-life checks that require individual annuitants to provide affidavits or notarization or similar proof of life?</p> <p>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.]</p> <p><u>Payment Options</u></p>	Yes	Yes	No	53% Yes / 47% No / 0% n/a					15	37% Yes / 63% No / 0% n/a			43
	Yes	Yes	Yes	93% Yes / 7% No / 0% n/a					15	58% Yes / 30% No / 12% n/a			38
	Yes	Yes	No	53% Yes / 47% No / 0% n/a					15	58% Yes / 42% No / 0% n/a			43
	Yes	Yes	No	100% Yes / 0% No / 0% n/a					15	91% Yes / 9% No / 0% n/a			43
	Yes	Yes	Yes	93% Yes / 7% No / 0% n/a					15	95% Yes / 5% No / 0% n/a			43
<p>137 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>	Yes	Yes	Yes	87% Yes / 13% No / 0% n/a					15	81% Yes / 19% No / 0% n/a			43
	Yes	Yes	Yes	27% Yes / 73% No / 0% n/a					15	23% Yes / 77% No / 0% n/a			43
	Yes	Yes	Yes	93% Yes / 7% No / 0% n/a					15	63% Yes / 37% No / 0% n/a			43

Survey Question	Your Response			Peers 2011					All Participants 2011						
	2011	2010	2009	Max	Med	Min	Avg	#	Max	Med	Min	Avg	#		
138 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	8	3	2	3	9	49	3	1	5	29		
139 Do any of your retirement formula for members explicitly subtract estimated Social Security (or CPP in Canada) when determining the benefit?	No	No	No	40% Yes / 60% No / 0% n/a					15	49% Yes / 51% No / 0% n/a					43
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 / 40% Some / 60% n/a					6	21% All / 28% Some / 51% n/a					21
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	33% Yes / 7% No / 60% n/a					6	47% Yes / 2% No / 51% n/a					21
140 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 pavments.]	No	No	No	7% Yes / 93% No / 0% n/a					15	7% Yes / 93% No / 0% n/a					43
141 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	51% Yes / 49% No / 0% n/a					43
142 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	7% Yes / 93% No / 0% n/a					15	9% Yes / 91% No / 0% n/a					43
143 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	2% Yes / 98% No / 0% n/a					43
144 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	19% Yes / 81% No / 0% n/a					43
145 At retirement, can a member convert:															
a) Part of his benefit into a partial lump sum payment?	No	No	No	67% Yes / 33% No / 0% n/a					15	35% Yes / 65% No / 0% n/a					43
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	27% Yes / 73% No / 0% n/a					15	19% Yes / 81% No / 0% n/a					43

Survey Question	Your Response			Peers 2011					All Participants 2011						
	2011	2010	2009	Max	Med	Min	Avg	#	Max	Med	Min	Avg	#		
146 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	27% Any Day / 73% Set Day / 0% n/a					15	40% Any Day / 60% Set Day / 0% n/a					43
147 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	191	2	1	15	15	191	1	1	7	43		
148 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.) [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]	2	2	2	13	2	0	3	15	13	2	0	2	43		
149 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	33% Yes / 67% No / 0% n/a					15	30% Yes / 70% No / 0% n/a					43
	No	No	No	33% Yes / 67% No / 0% n/a					15	33% Yes / 67% No / 0% n/a					43
	No	No	No	13% Yes / 87% No / 0% n/a					15	14% Yes / 86% No / 0% n/a					43
150 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	13% Yes / 87% No / 0% n/a					15	26% Yes / 74% No / 0% n/a					43
	n/a	n/a	n/a	7% Yes / 7% No / 87% n/a					2	21% Yes / 5% No / 74% n/a					11
151 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.]	13	13	13	15	4	1	6	15	21	4	1	6	43		



Survey Question	Your Response			Peers 2011					All Participants 2011						
	2011	2010	2009	Max	Med	Min	Avg	#	Max	Med	Min	Avg	#		
<p>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.)</p> <p>2. Pre-1995 public employees can get an unreduced retirement at age 55 with 20 years of service.</p> <p>3. Teachers can get an unreduced retirement when age plus years of service equals 75.]</p>															
<p>152 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.]</p>	Yes	Yes	Yes	100% Yes / 0% No / 0% n/a					15	98% Yes / 2% No / 0% n/a					43
<p>153 How many different salary definitions could apply in retirement formula calculations? [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>	2	2	2	9	4	1	5	15	10	3	0	4	43		
<p>154 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:</p> <ol style="list-style-type: none"> <li>1. Fire and Police get 2.5% per year of service;</li> <li>2. Public Employees get 1.75% per year of service;</li> <li>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.]</li> </ol>	8	8	8	20	4	1	6	15	20	3	1	4	43		
<p>155 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>	No	No	No	73% Yes / 27% No / 0% n/a					15	56% Yes / 44% No / 0% n/a					43
	n/a	n/a	n/a	27% Yes / 47% No / 27% n/a					11	33% Yes / 23% No / 44% n/a					24
	n/a	n/a	n/a	33% Yes / 40% No / 27% n/a					11	28% Yes / 28% No / 44% n/a					24
	n/a	n/a	n/a	13% Yes / 60% No / 27% n/a					11	9% Yes / 47% No / 44% n/a					24

Survey Question	Your Response			Peers 2011					All Participants 2011				
	2011	2010	2009	Max	Med	Min	Avg	#	Max	Med	Min	Avg	#
d) The formula of the plan where the member works last will apply.	n/a	n/a	n/a	40% Yes / 33% No / 27% n/a				11	28% Yes / 28% No / 44% n/a				24
e) Other (describe) <u>n/a</u> <u>External Reciprocity</u>	n/a	n/a	n/a	13% Yes / 53% No / 33% n/a				10	16% Yes / 37% No / 47% n/a				23
156 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.	Yes	Yes	Yes	27% Yes / 73% No / 0% n/a				15	30% Yes / 70% No / 0% n/a				43
157 Do you have agreements with external Systems where the member may combine internal and external credit to form one joint account?  [The accounts remain separate until the member applies for a benefit, at which time either: • the System with the most service credit for that person is responsible for the combined account, or • the System where the member worked last is responsible ] <u>Service Credit Rules</u>	No	No	No	20% Yes / 80% No / 0% n/a				15	9% Yes / 91% No / 0% n/a				43
158 How many different definitions do you have for a "full year" of service credit? [For example, a system could have: • One definition such as "more than 120 days = a year". • 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. • 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.  • Or the following two definitions for hourly employees: 48 weeks of 40 hours per week versus 48 weeks of 36 hours per week.]	2	2	2	8	4	1	4	15	100	3	1	7	43
159 Does your system have more than one payroll year for determining service credit?	Yes	Yes	Yes	40% Yes / 60% No / 0% n/a				15	33% Yes / 67% No / 0% n/a				43

Survey Question	Your Response			Peers 2011					All Participants 2011				
	2011	2010	2009	Max	Med	Min	Avg	#	Max	Med	Min	Avg	#
[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.]													
a) If yes, how many different payroll years exist in your system?	2	2	2	12	3	2	4	6	12	3	2	4	14
160 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	1	0	2	15	8	1	0	2	43
161 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	87% Yes / 13% No / 0% n/a				15	95% Yes / 5% No / 0% n/a				43
b) Casual/ temporary/ intermittent/ seasonal employees to be members? [An example of a "temporary" employee is an infrequent substitute teacher.]	Yes	Yes	Yes	87% Yes / 13% No / 0% n/a				15	67% Yes / 33% No / 0% n/a				43
162 Are you sometimes asked by employers to determine the eligibility of members? [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.]	Yes	Yes	Yes	93% Yes / 7% No / 0% n/a				15	88% Yes / 12% No / 0% n/a				43
<u>Service Credit Purchases</u>													
163 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?	Yes	Yes	Yes	100% Yes / 0% No / 0% n/a				15	95% Yes / 2% No / 2% n/a				42
b) Lump sum payments from members?	Yes	Yes	Yes	100% Yes / 0% No / 0% n/a				15	82% Yes / 10% No / 8% n/a				46
c) Installment payments direct from members?	No	No	No	53% Yes / 47% No / 0% n/a				15	46% Yes / 44% No / 10% n/a				45
d) Installment payments via payroll deduction through employers?	No	No	No	67% Yes / 33% No / 0% n/a				15	62% Yes / 30% No / 8% n/a				46
164 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	32	9	2	11	42

Survey Question	Your Response			Peers 2011					All Participants 2011					
	2011	2010	2009	Max	Med	Min	Avg	#	Max	Med	Min	Avg	#	
165 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	13	6	3	7	15	24	5	1	6	42	
166 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	No	No	33% Yes / 67% No / 0% n/a					15	53% Yes / 44% No / 2% n/a				42
	Yes	Yes	Yes	60% Yes / 40% No / 0% n/a					15	42% Yes / 56% No / 2% n/a				42
	No	No	No	7% Yes / 93% No / 0% n/a					15	7% Yes / 91% No / 2% n/a				42
167 Do you pay a one-time death payment when a member, retiree or the retiree's beneficiary dies (separate from the survivor pension)?  a) If yes, how many different one-time death payment rule sets do you have? [i.e., \$5,000, \$2,000 etc.]	No	No	No	60% Yes / 40% No / 0% n/a					15	53% Yes / 47% No / 0% n/a				43
	n/a	n/a	n/a	6	3	2	3	9	8	2	1	3	23	
168 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	7	2	0	2	42	
169 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.  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.] c) Disabled members receive service retirement. Time on disability counts as eligible service credit. d) Other (describe) <u>n/a</u>	Yes	Yes	Yes	80% Yes / 20% No / 0% n/a					15	63% Yes / 23% No / 14% n/a				37
	No	No	No	20% Yes / 80% No / 0% n/a					15	12% Yes / 74% No / 14% n/a				37
	No	No	No	33% Yes / 67% No / 0% n/a					15	28% Yes / 58% No / 14% n/a				37
	No	No	No	13% Yes / 87% No / 0% n/a					15	9% Yes / 74% No / 16% n/a				36

Survey Question	Your Response			Peers 2011					All Participants 2011						
	2011	2010	2009	Max	Med	Min	Avg	#	Max	Med	Min	Avg	#		
170 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?	No	No	No	20% Yes / 80% No / 0% n/a					15	14% Yes / 67% No / 19% n/a					35
	No	No	No	7% Yes / 93% No / 0% n/a					15	5% Yes / 77% No / 19% n/a					35
171 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? b) Employer decides? 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.] d) Other (describe)? n/a	No	No	No	13% Yes / 87% No / 0% n/a					15	16% Yes / 70% No / 14% n/a					37
	No	No	No	0% Yes / 100% No / 0% n/a					15	2% Yes / 86% No / 12% n/a					38
	Yes	Yes	Yes	93% Yes / 7% No / 0% n/a					15	77% Yes / 9% No / 14% n/a					37
	No	No	No	7% Yes / 93% No / 0% n/a					15	5% Yes / 81% No / 14% n/a					37
172 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) n/a	No	No	No	47% Yes / 53% No / 0% n/a					15	51% Yes / 35% No / 14% n/a					37
	No	No	No	20% Yes / 80% No / 0% n/a					15	9% Yes / 77% No / 14% n/a					37
	Yes	Yes	Yes	33% Yes / 67% No / 0% n/a					15	26% Yes / 58% No / 16% n/a					36
	No	No	No	13% Yes / 87% No / 0% n/a					15	12% Yes / 72% No / 16% n/a					36
173 If you administer short-term disability:															

Survey Question	Your Response			Peers 2011					All Participants 2011						
	2011	2010	2009	Max	Med	Min	Avg	#	Max	Med	Min	Avg	#		
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]	Yes	Yes	Yes	20% Yes / 7% No / 73% n/a					4	12% Yes / 2% No / 86% n/a					6
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	0% Yes / 27% No / 73% n/a					4	2% Yes / 12% No / 86% n/a					6
c) Are there materially different approval processes for short-term and long-term disability/ disability pensions?	Yes	Yes	Yes	20% Yes / 7% No / 73% n/a					4	9% Yes / 5% No / 86% n/a					6
174 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?	4	4	4	57	3	1	8	15	57	2	1	5	37		
b) Short-term disability (if you administer it yourself)?	1	1	1	14	2	1	6	3	14	2	1	4	5		
[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.]															
175 Do you reduce payments if the member qualifies or receives:															
a) Disability social security?	Yes	Yes	Yes	47% Yes / 53% No / 0% n/a					15	23% Yes / 63% No / 14% n/a					37
b) Worker's compensation?	Yes	Yes	Yes	73% Yes / 27% No / 0% n/a					15	42% Yes / 44% No / 14% n/a					37
c) Other public funds, e.g. federal military disability?	No	No	No	27% Yes / 73% No / 0% n/a					15	12% Yes / 74% No / 14% n/a					37
d) Income protection plans/other disability insurance?	No	No	No	13% Yes / 87% No / 0% n/a					15	7% Yes / 79% No / 14% n/a					37
e) Employer sick leave and annual leave pay?	No	No	No	40% Yes / 60% No / 0% n/a					15	16% Yes / 70% No / 14% n/a					37
f) Unemployment compensation?	Yes	Yes	Yes	20% Yes / 80% No / 0% n/a					15	9% Yes / 77% No / 14% n/a					37
g) Income from other employment?	Yes	Yes	Yes	67% Yes / 33% No / 0% n/a					15	33% Yes / 53% No / 14% n/a					37
h) Other (describe)?	Yes	Yes	Yes	20% Yes / 80% No / 0% n/a					15	9% Yes / 79% No / 12% n/a					38
<u>other system administered benefits including retirement</u>															
<u>Pensionable Earnings</u>															
176 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?	Yes	Yes	Yes	93% Yes / 7% No / 0% n/a					15	91% Yes / 9% No / 0% n/a					43

Survey Question	Your Response			Peers 2011					All Participants 2011						
	2011	2010	2009	Max	Med	Min	Avg	#	Max	Med	Min	Avg	#		
b) Allowances, such as remote location pay or 'high risk' duty allowance or a car allowance?	Yes	Yes	Yes	87% Yes / 13% No / 0% n/a					15	84% Yes / 16% No / 0% n/a					43
c) Overtime pay?	Yes	Yes	Yes	93% Yes / 7% No / 0% n/a					15	81% Yes / 19% No / 0% n/a					43
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?	Yes	Yes	Yes	40% Yes / 60% No / 0% n/a					15	40% Yes / 60% No / 0% n/a					43
a) Bonuses?	All	All	All	13% All / 13% None / 67% Some / 7% n/a					14	12% All / 12% None / 67% Some / 9% n/a					39
b) Allowances, such as remote location pay or 'high risk' duty allowance or a car allowance?	Some	Some	Some	7% All / 13% None / 67% Some / 13% n/a					13	14% All / 12% None / 58% Some / 16% n/a					36
c) Overtime pay?	All	All	All	80% All / 0% None / 13% Some / 7% n/a					14	47% All / 12% None / 23% Some / 19% n/a					35
d) Commissions or similar payments such as fees paid to sheriffs for process serving?	All	All	All	13% All / 0% None / 27% Some / 60% n/a					6	9% All / 5% None / 26% Some / 60% n/a					17
177 When determining a member's pensionable earnings does a cap on salary increases apply? <u>Customization Options</u>	Yes	Yes	Yes	47% Yes / 53% No / 0% n/a					15	33% Yes / 67% No / 0% n/a					43
178 Can either existing employers, or a new employer joining your system, choose: a) Whether they offer early retirement, or a window of early retirement? b) Whether or not part-time employees are eligible? c) Whether employee contributions are paid pre or post tax? d) Whether they pay for employee contributions themselves, or not? 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.] 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.] 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.]	No	No	No	20% Yes / 80% No / 0% n/a					15	23% Yes / 74% No / 2% n/a					42
	No	No	No	7% Yes / 93% No / 0% n/a					15	14% Yes / 84% No / 2% n/a					42
	No	No	No	53% Yes / 47% No / 0% n/a					15	23% Yes / 74% No / 2% n/a					42
	Yes	Yes	Yes	47% Yes / 53% No / 0% n/a					15	33% Yes / 65% No / 2% n/a					42
	No	No	No	20% Yes / 80% No / 0% n/a					15	16% Yes / 81% No / 2% n/a					42
	No	No	No	7% Yes / 93% No / 0% n/a					15	7% Yes / 91% No / 2% n/a					42
	Yes	Yes	Yes	13% Yes / 87% No / 0% n/a					15	16% Yes / 81% No / 2% n/a					42
179 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.															

Survey Question	Your Response			Peers 2011					All Participants 2011				
	2011	2010	2009	Max	Med	Min	Avg	#	Max	Med	Min	Avg	#
a) Benefit program multipliers [i.e., 2% per year of service, 2.5% per year of service, etc]	No	No	No	0% Yes / 100% No / 0% n/a				15	5% Yes / 95% No / 0% n/a				43
b) Final salary definition [i.e., Sick Leave in or out, Final 1 year, Highest 5 consecutive years, etc]	No	No	No	7% Yes / 93% No / 0% n/a				15	5% Yes / 95% No / 0% n/a				43
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	5% Yes / 95% No / 0% n/a				43
d) Cost of living adjustment rules [i.e., CPI capped at 2%, CPI uncapped, etc]	No	No	No	0% Yes / 100% No / 0% n/a				15	2% Yes / 98% No / 0% n/a				43
e) Vesting period	No	No	No	0% Yes / 100% No / 0% n/a				15	0% Yes / 100% No / 0% n/a				43
f) Service credit purchase categories	Yes	Yes	Yes	13% Yes / 87% No / 0% n/a				15	7% Yes / 93% No / 0% n/a				43
g) Death benefit coverage [i.e. One system has 3 choices: none, \$5,000 and \$10,000]	No	No	No	7% Yes / 93% No / 0% n/a				15	2% Yes / 98% No / 0% n/a				43
h) Disability coverage rules	Yes	Yes	Yes	7% Yes / 93% No / 0% n/a				15	2% Yes / 98% No / 0% n/a				43
i) Choice as to whether and how contributions and benefits are coordinated with social security	No	No	No	0% Yes / 93% No / 7% n/a				14	2% Yes / 95% No / 2% n/a				42
j) Other (describe)	No	No	No	7% Yes / 80% No / 13% n/a				13	9% Yes / 84% No / 7% n/a				40
<u>n/a</u>													
If yes: # of standard options													
a) Benefit program multipliers [i.e., 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	8	6	4	6	2
b) Final salary definition [i.e., 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	2
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	3	4	2
d) Cost of living adjustment rules [i.e., 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					
f) Service credit purchase categories	5	5	5	5	4	2	4	2	5	2	2	3	3
g) Death benefit coverage [i.e. One system has 3 choices: none, \$5,000 and \$10,000]	n/a	n/a	n/a	2	2	2	2	1	2	2	2	2	1
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	2	1	1	1	4
180 Can an existing employer change any of the choices (per question 179 above), effectively creating a new or altered rule set, at any time?	Yes	Yes	Yes	20% Yes / 80% No / 0% n/a				15	21% Yes / 77% No / 2% n/a				42
<u>Collections and Data Maintenance</u>													
181 How many different contribution percentages do you collect from:													



Survey Question	Your Response			Peers 2011					All Participants 2011				
	2011	2010	2009	Max	Med	Min	Avg	#	Max	Med	Min	Avg	#
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.]	1,474	1,465	1,465	3,423	8	1	458	15	3,423	5	1	188	42
b) Members?	4	4	4	87	3	1	10	14	776	4	0	31	41
182 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	30% Yes / 70% No / 0% n/a			43		
b) Employer pays his part and also the employee contributions?	Yes	Yes	Yes	60% Yes / 40% No / 0% n/a			15	53% Yes / 47% No / 0% n/a			43		
c) Employer withholds employee contributions pre-tax from his salary?	No	No	No	93% Yes / 7% No / 0% n/a			15	88% Yes / 12% No / 0% n/a			43		
d) Employer withholds employee contributions post-tax from his salary?	Yes	Yes	Yes	80% Yes / 20% No / 0% n/a			15	49% Yes / 51% No / 0% n/a			43		
183 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.]	No	No	No	47% Yes / 53% No / 0% n/a			15	40% Yes / 60% No / 0% n/a			43		
a) If yes, describe: n/a													
184 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	20% Yes / 80% No / 0% n/a			15	28% Yes / 72% No / 0% n/a			50		
185 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	40% Yes / 47% No / 13% n/a			13	28% Yes / 49% No / 23% n/a			33		
186 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	86% Yes / 14% No / 0% n/a			43		
187 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?	Yes	Yes	Yes	87% Yes / 13% No / 0% n/a			15	74% Yes / 23% No / 2% n/a			42		
b) Invoice employers in arrears based on actual member service and salary data?	No	No	No	60% Yes / 40% No / 0% n/a			15	56% Yes / 42% No / 2% n/a			42		

Survey Question	Your Response			Peers 2011					All Participants 2011						
	2011	2010	2009	Max	Med	Min	Avg	#	Max	Med	Min	Avg	#		
c) Invoice employers in advance based on estimated member service and salary data, and then adjust based on actual experience?	No	No	No	13% Yes / 87% No / 0% n/a					15	14% Yes / 84% No / 2% n/a					42
188 If you answered 'yes' to questions 187a, b or c above: a) How many times per year do you send invoices or 'advices' to each employer?	1	1	1	44	2	1	9	14	1,668	1	0	55	35		
189 Do you inspect non-participating employers to see if they are obliged to participate in your System? [Answer is likely 'no' for all North American and Australian systems. Participation in some Dutch industry funds is mandatory if the employer has certain characteristics.]  <u>Divorce</u>	No	No	No	0% Yes / 100% No / 0% n/a					15	0% Yes / 100% No / 0% n/a					43
190 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 a) Minimal impact. Law prevents you from paying the pension to anybody except the member and the member's specified beneficiaries. b) Minimal impact unless children are involved. With children you may be required to redirect payment. c) A portion of the pension is paid to the ex-spouse, but ONLY when the member begins receiving benefits. 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. e) Other (describe) <u>n/a</u>	No	No	No	13% Yes / 87% No / 0% n/a					15	12% Yes / 88% No / 0% n/a					43
	No	No	No	0% Yes / 100% No / 0% n/a					15	0% Yes / 100% No / 0% n/a					43
	No	No	No	60% Yes / 40% No / 0% n/a					15	63% Yes / 37% No / 0% n/a					43
	Yes	Yes	Yes	40% Yes / 60% No / 0% n/a					15	26% Yes / 74% No / 0% n/a					43
	No	No	No	7% Yes / 93% No / 0% n/a					15	9% Yes / 91% No / 0% n/a					43

## 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	2011	2010	2009	2008
United States Dollars - USD	1.000	1.000	1.000	1.000
Canada Dollars - CAD	0.813	0.821	0.839	0.818
Euro - EUR	1.253	1.252	1.172	1.177
Denmark Kroner - DKK	0.128	0.123	0.118	0.115
Sweden Kronor - SEK	0.112	0.112	0.107	0.108
United Kingdom Pounds - GBP	1.517	1.523	n/a	n/a
Australia Dollars - AUD	0.641	0.657	0.683	0.678

1. Source OECD Website, February 2012.

## 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</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 Communication.</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> </ul> <ul style="list-style-type: none"> <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> </ul> <ul style="list-style-type: none"> <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>
5. Major Projects	
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>

## Appendix C - Activity definitions

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. <ul style="list-style-type: none"> <li>• Amortization/depreciation of IT infrastructure such as mainframes and servers. This belongs in 6c.</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> </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 Tele-communications	<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 E - Cost and service model changes

The 2011 benchmarking report changes were:

### Total Cost

- 1 Cost tables now reflect new split in major projects between IT and non-IT major project categories.
- 2 Added a table summarizing alternate averages and adjustments made within the cost model.

### Service

- 1 Added page to show top 5 reasons you didn't get a perfect service score, and a summary of all things required for a perfect service score.
- 2 Included online estimates in the estimates timeliness measure.
- 3 Changed scoring for newsletter frequency: Perfect score requires 2 or more for actives and annuitants whereas it used to be 4.
- 4 Changed service score for payment advice frequency: New scoring gives perfect score if payment advices available online. Remains perfect if sent with every payment, +30/35 if every time amount changes, and
- 5 The 1% benchmark of members counseled 1-on-1 as a proportion of all members has changed: The new benchmark depends on the fraction of members retiring online. Therefore, if you have 50% of your inceptions occurring online, you will only have to pass a 0.5% benchmark.
- 6 Removed wait time for in the field 1-on-1 counseling.
- 7 The 2.5% benchmark of attendees per presentation as a proportion of active members has been changed as per #4 above.
- 8 Disaster Recovery added +10 for an independent auditor. Remove 5 from both "having back up equipment" and "being able to pay pensions in 2 days or less" .
- 9 Call wait time now allows for up to 20 second wait time for a perfect score.
- 10 Reweighted deduction for website satisfaction surveying: If all unique users are surveyed, -25%; if all users are surveyed, -90% (as before).
- 11 Added requirement that member statements be online for a perfect score (+5); reduced the requirement that member statements be sent directly to a members home from +10 to +5
- 12 Split wait times in queue or menu into new question wait time in queue and wait time in menu.