ABC Company, Inc.
401(k) Committee Plan Review Meeting
Meeting Minutes
January 1, 2021

Committee Members Present:	John Smith Jane Doe
Registered Investment Advisors:	Jamie Rehak Laura Cooley Kristen Chambers
Time and Location:	Start 11:00 AM / End 12:05 PM Zoom Meeting

General Comments

- Laura described the structure, purpose, and frequency of the Committee Plan Review meetings and it was determined that annual meetings will be held going forward. She reviewed the following administrative items:
    - 2020 Non-Discrimination testing and 5500 filing will be completed in Q1 2021. In March 2020 the contribution breakdown and partner contribution calculation were completed. IRS document restatement cycle is the horizon in 2021 or 2022.
    - Laura provided the Committee with a Stewardship Report which provides a summary of the major services provided by LRA since the inception of the relationship with ABC Company. This report will be reviewed annually.
- Jamie summarized the major highlights and provisions within the 401(k) Plan design and noted the following opportunities:
    - The Plan could consider the addition of In-Plan Roth rollovers to convert current pre-tax assets into after-tax.
    - The potential addition of a Profit-Sharing contribution type.
    - The potential addition of automatic enrollment, and automatic escalation provisions.
    - Laura also noted that eligibility could be reduced to make the Plan more competitive.

- John discussed having a follow-up meeting to take a deeper dive into the Plan provisions and opportunities for enhancements.

- The Committee reviewed the recent CARES Act legislation. The most pertinent provisions in the legislation affecting the 401(k) Plan are: the suspension of Required Minimum Distributions, and the ability for impacted participants to take a penalty-free distribution in the event of a COVID-19 illness, or financial hardship due to being furloughed, laid off, or terminated by an employer. Jamie also noted that current outstanding loan repayments can be delayed for up to 12 months; additionally, maximum limits on new loans taken due to COVID-19 have increased through September 23, 2020.
  - ABC Company amended the Plan to allow for these provisions.

- The Committee reviewed the Principal Executive Summary report and Kristen noted the following:
  - The total Plan assets have increased from $16,118,007 as of 12/31/2019 to $16,937,267 as of 12/31/2020.
  - The average account balance has increased from $429,980 as of 12/31/2019 to $502,237 as of 12/31/2020.
  - The average deferral rate for participants making employee contributions is low at 2.6%. Jane asked the Committee for ideas on increasing participant contributions:
    - Laura discussed the addition of automatic provisions as a way to increase the deferral rates.
    - Laura also noted that employee education & outreach is important to help to increase contribution rates.
    - Jamie additionally stated the employer contribution can be re-structured to encourage higher deferrals by use of a match structure versus the current non-elective contribution.
  - Kristen noted that approximately 55% of participants have logged onto the Principal website year-to-date and additional employee education may be useful regarding the available Principal tools and resources.

- Laura discussed the Principal Fee Summary report and reminded the Committee that total Plan fees were reduced from 0.82% to 0.59%. In 2020, Laura conducted an RFP to compare the fees and services from Principal to 4 other recordkeepers. Based upon the results and adhering to the direction given by ABC Company, she was able to negotiate a pricing reduction with Principal, and add 3(16) services and LRA while reducing overall costs by 28%.

Plan Trends

- Total assets are $16,937,267 as of 12/31/2020
- The average account balance is $502,237
- 27 total participants with an account balance (16 active; 11 terminated)
- 90% participation rate
- 17% of the assets are in the Principal Large Cap S&P 500 Index Sep Acct-Z
- 13% of the assets are in the American Funds American Balanced R6
- 13% of the assets are in the Principal Stable Value Z

Investment Review

Laura provided an overview of the fi360 investment scoring and performance tool, outlined the scoring criteria and reviewed the investment performance of the funds.

The Committee was generally pleased with the performance of the funds relative to their Benchmarks, Morningstar category averages, and based on the fi360 scoring system with no exceptions.

Jamie stated that the fund menu is well diversified and provides employees with various asset allocation strategies.

Employee Education

The Committee determined that one-on-one employee education will be offered. LRA will coordinate with Jane to schedule these.

John expressed the importance of providing education and support to employees. Education initiatives should include specific topics such as market volatility and Roth vs. Pre-tax.

Total Plan Cost (based upon $17,453,816 in Plan assets)

Weighted Average Investment Expense	0.28%
Principal Recordkeeping (netted from assets)	0.11%
Third Party 3(16) Administration Expense (netted from assets)	0.03%
Lawley Retirement Advisors (flat fee, netted from assets)	0.17%
Total Plan Costs	**0.59%**

Action Items

Item	Person Responsible	Completed Date
The Committee to hold a meeting to discuss Plan design opportunities & employer match options.	All	
LRA to coordinate with Jane to schedule one-on-one employee education sessions.	Kristen & Jane	
LRA to establish a "Retirement Plan Education Center" as an employee resource	Laura and Kristen	