



Consultants, Actuaries and Administrators of Pension
and Profit Sharing Plans Since 1970

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408(b)(2) Disclosure Document

The Department of Labor (DOL) issued final fee disclosure regulations under ERISA Section 408(b)(2). The regulations are effective July 1, 2012. The primary goal of the DOL's new disclosure requirements is to help plan sponsors understand the fees and expenses associated with their retirement plan so that all parties can make informed decisions.

Pollard & Associates, Inc. (Pollard) is committed to providing complete fee disclosure and transparency to our plan sponsor clients. To this end, our Administration & Consulting Services Agreement and associated Fee Schedule describe all direct and indirect compensation to be received by Pollard for services provided to the plan.

It's important to identify the different types of compensation that may be paid to Pollard:

1. Payments made **directly by the Plan Sponsor or Employer**. Pollard's annual administrative fees are often paid by the Plan Sponsor and fall into this category. These payments may be deducted as a corporate business expense.
2. Payments made **directly from the Plan** (i.e., deducted from plan assets or participant accounts). The Plan Sponsor may elect to have Pollard's annual administrative fees paid directly from the Plan by indicating such election on the Pollard invoice or by setting up period payments with the Plan's investment provider. This is referred to as "Direct Compensation."
3. Payments **made by a third-party** (i.e., not the plan or the Plan Sponsor) in connection with services performed for the Plan. This is referred to as "Indirect Compensation." If any indirect compensation is received by Pollard for services provided to your plan, it is disclosed in the "Fee Disclosure / Notes" section of our Fee Schedule.

To provide additional information to our plan sponsor clients, this Disclosure Document describes the arrangements between Pollard and any investment vendor that pays Indirect Compensation to Pollard. Pollard is eligible for programs that pay Indirect Compensation with the following investment vendors:

- American Funds Recordkeeper Direct (American Funds);
- Great-West Retirement Services (Great-West);
- The Guardian Insurance & Annuity Company, Inc. (Guardian);
- John Hancock Life Insurance Company USA (John Hancock);
- Mass Mutual Financial Group (Mass Mutual); and
- Transamerica Retirement Services Corporation (Transamerica).

Please refer to the Disclosure Page for the vendor that provides services to your plan. If your investment vendor is not listed above, Pollard does not receive any Indirect Compensation in relation to services provided to your Plan.

American Funds Recordkeeper Direct Disclosure Page

Basic Annual Administration & Consulting Services

Pollard is partially compensated by American Funds for providing administrative, compliance, and consulting services to the Plan, as described in the Administration & Consulting Services Agreement. These amounts are paid by American Funds or its affiliates from the Plan investment options in accordance with the schedule below. Payments will be made on a quarterly basis.

Please note that the payment schedule may change from time to time, and you will find the most current version posted in the “Online forms” section of the American Funds Plan Sponsor website at americanfunds.com/retiresponsor.

	Payments in respect to A shares	Payments in respect to R-2 shares ²	Payments in respect to R-3 shares ²	Payments in respect to R-4 shares ²	Payments in respect to R-5 shares
Less than \$1 million	0.00%	0.12%	0.10%	0.02%	0.00%
At least \$1 million, but less than \$2 million	0.00	0.11	0.09	0.02	0.00
At least \$2 million, but less than \$3 million	0.00	0.10	0.08	0.02	0.00
At least \$3 million, but less than \$4 million	0.00	0.09	0.07	0.02	0.00
At least \$4 million, but less than \$5 million	0.00	0.08	0.06	0.02	0.00
At least \$5 million, but less than \$6 million	0.00	0.06	0.06	0.02	0.00
\$6 million or more	0.00	0.05	0.05	0.02	0.00

² Payments to TPAs with respect to plan assets held in the American Funds Money Market Fund[®] may be suspended.

Great-West Disclosure Page

Plan Design & Installation / Conversion Services

Pollard is eligible to receive compensation under the Great-West TPA Partnership Program, described below. TPA Partnership Program payments are NOT deducted from Plan assets or participant accounts, but are paid out of Great-West's general assets. The TPA Partnership Program payments made by Great-West for the first year of a plan's contract are as follows:

For transferred assets of more than \$500,000, 5 basis points (0.05%) is paid on the amount of the transfer, subject to a maximum payment of \$5,000. No payments are made for transferred assets of less than \$500,000.

Basic Annual Administration & Consulting Services

Pollard is eligible to receive compensation under the Great-West TPA Partnership Program, described below. TPA Partnership Program payments are NOT deducted from Plan assets or participant accounts, but are paid out of Great-West's general assets. The TPA Partnership Program payments made by Great-West for the second and subsequent years of a plan's contract are as follows:

Starting in the 13th month of the plan's contract, an annual 5 basis points on plan assets (0.05%) is paid in quarterly installments based on quarter-end plan asset values. TPA Partnership Program payments are made on a quarterly basis. The maximum annual payment is \$5,000.

The Guardian Disclosure Page

Plan Design & Installation / Conversion Services

Pollard may be eligible to receive compensation under the Guardian TPA Awards Program, described below. TPA Awards Program payments are NOT deducted from Plan assets or participant accounts, but are paid out of Guardian's general assets.

In exchange for installation services provided to Guardian and mutual plan sponsor clients, Pollard shall be paid a marketing allowance payment for Guardian takeover contracts **issued on or after January 1, 2010**, subject to the following requirements:

i.	<u>Plan Takeover Assets</u>	<u>One-Time Payment</u>
	< \$250,000	\$0
	\$250,001 - \$500,000	\$500
	\$500,001 - \$1,000,000	\$1,000
	\$1,000,001 - \$2,000,000	\$2,000
	\$2,000,001 - \$3,000,000	\$3,000
	> \$3,000,000	\$5,000

ii. Pollard is paid a marketing allowance based on the above schedule based on takeover assets that are transferred into a Guardian Product; on-going contributions are not considered for purposes of calculating this marketing allowance; and

iii. Marketing allowance payments will be made upon receipt of takeover assets and paid to Pollard as soon as administratively feasible, usually within ten (10) business days after the end of the month in which they are received.

Basic Annual Administration & Consulting Services

Pollard may be eligible to receive compensation under the Guardian TPA Awards Program, described below. TPA Awards Program payments are NOT deducted from Plan assets or participant accounts, but are paid out of Guardian's general assets.

In exchange for services provided to Guardian and mutual plan sponsor clients, Pollard shall be paid on-going compensation for startup or takeover contracts **issued on or after January 1, 2010**, subject to the following requirements:

i. This compensation will be equal to an annual 5 basis points (0.05%) on the assets invested in a Guardian Product if those assets are equal to or greater than \$250,000 at the end of each contract year; and

ii. This compensation will be paid within thirty (30) days after the end of the first contract year for each Guardian Product and every twelve (12) months thereafter as long as that Guardian product remains in force at the end of its contract year.

John Hancock Disclosure Page

Plan Design & Installation / Conversion Services

Pollard is eligible to receive compensation under the John Hancock "Installation Allowance" (IA) program, described below. IA payments are NOT deducted from Plan assets or participant accounts, but are paid out of John Hancock's general assets. The amount of IA compensation paid to Pollard is calculated monthly at the end of the applicable period. Pollard will receive an amount equal to 100 basis points (1%) times the amount of all Recurring Dollars and an amount equal to 20 basis points (0.2%) times the amount of all Transfer Dollars.

"Recurring Dollars" means recurring deposits of a new plan adopting a John Hancock group annuity contract for which Pollard provides administrative services during the first 12 months that the plan is funded by the John Hancock group annuity contract and does not include any amounts defined as Transfer Dollars. "Transfer Dollars" means actual deposits transferred to John Hancock by a new plan (i.e., a plan that enters into a John Hancock group annuity contract) during the calendar year and does not include any amounts defined as Recurring Dollars.

The following are not included in the calculation of IA payments:

1. Any amounts awaiting investment in John Hancock group annuity contracts;
2. Internal transfers within John Hancock group annuity contracts;
3. Amounts invested in Personal Brokerage Accounts; or
4. Earnings on investments within John Hancock group annuity contracts.

Pollard expects to receive IA payments on a monthly basis.

Basic Annual Administration & Consulting Services

Pollard is eligible to receive compensation under the John Hancock "Efficiency Allowance" (EA) program, described below. EA payments are NOT deducted from Plan assets or participant accounts, but are paid out of John Hancock's general assets.

Pollard does not have sufficient information to disclose, in advance, how much EA compensation that it may receive in a particular year. This is because the total amount of assets invested by the plan in the John Hancock group annuity contract cannot be determined in advance. The amount of EA compensation that Pollard may receive is calculated based on all assets held by the plan (1) for which Pollard provides services and (2) which is funded by the John Hancock group annuity contract.

Pollard will receive an amount equal to an annual 5 basis points (.05%) times the amount of all assets in the plan during the computation period for which TPA provides services.

The following are not included in the calculation of plan assets for purposes of EA compensation:

1. Any amounts awaiting investment in John Hancock group annuity contracts; and
2. Amounts invested in Personal Brokerage Accounts.

Pollard expects to receive EA payments on a monthly basis.

Mass Mutual Disclosure Page

Plan Design & Installation / Conversion Services

Pollard is eligible to receive compensation under the Mass Mutual Qualified Select TPA program, described below. Qualified Select TPA payments are NOT deducted from Plan assets or participant accounts, but are paid out of Mass Mutual's general assets.

The Initial Payment is a flat fee payment based on asset bands, with the assumption that as assets increase so does plan complexity and/or number of participants. The Initial Payment is made in the month following the date the plan is "case approved." The following schedule applies to the Initial Payment:

Start-Up Plans: Flat fee of \$400 per plan.

Takeover Plans:

<u>First Year Deposits</u>	<u>Initial Payment</u>
\$0 - \$499,999	\$2,200
\$500,000 - \$999,999	\$3,200
\$1,000,000 - \$2,999,999	\$5,000
\$3,000,000 - \$4,999,999	\$8,000
\$5,000,000 - \$9,999,999	\$10,000
Over \$10M or \$1M in annual flow	Custom

Conversion of a SEP, SARSEP or SIMPLE plan to a Profit Sharing Plan: \$1,000.

Basic Annual Administration & Consulting Services

Pollard may be eligible to receive compensation under the Mass Mutual Qualified Select TPA program, described below. Qualified Select TPA payments are NOT deducted from Plan assets or participant accounts, but are paid out of the Mass Mutual's general assets.

Retention Payment: The Retention Payment will be made only to those firms who have installed a minimum of 10 plans over the past two calendar years. The Retention Payment is equal to an annual 5 basis points (0.05%) on plan assets. Payments will be made on a quarterly basis.

Efficiency Payment: Mass Mutual will make an Efficiency Payment with respect to take-over plans with more than \$5 million in plan assets. The Efficiency Payment is equal to an annual 5 basis points (0.05%) on plan assets, paid quarterly in years two and three.

Transamerica Disclosure Page

Plan Design & Installation / Conversion Services

Pollard may be eligible to receive compensation under the Transamerica “Service Fee Income” (SFI) program, described below. Whether and to what extent Pollard is eligible for SFI payments depends upon the contract entered into between Transamerica and the Client. Payments under this program may be made from Transamerica Retirement Services Corporation for services provided by Pollard to Transamerica in connection with the installation of the Plan. Any amounts received by Pollard will be disclosed on Pollard’s Fee Schedule, as well as on the Plan’s Form 5500 for the plan year in which such payments are made, if any.

Deposit-Based SFI Payments: For the calendar quarter commencing with the first deposit received by Transamerica, and for each of the subsequent three calendar quarters, Pollard shall be paid the Deposit-Based basis point amount disclosed on Pollard’s fee schedule. The basis point amount is calculated on the total Plan deposits received during each such calendar quarter, and will cease after four quarterly payments.

Marketing and Premier Service Program

Pollard may be eligible to receive compensation under the Transamerica Marketing and Premier Service program, depending on the satisfaction of certain qualifying criteria, as determined in Transamerica’s sole discretion. Payments are currently made for any plan that Pollard refers to Transamerica, in consideration of certain marketing, transition, and administrative services provided by Pollard to Transamerica in connection to the Plan. Marketing and Premier Service payments are NOT deducted from Plan assets or participant accounts, but are paid out of Transamerica’s general assets. Any amounts received by Pollard under this program will be disclosed on Pollard’s Fee Schedule. Payments under the Transamerica Marketing and Premier Service program are based on the following scale:

25 basis points (0.25%) on the first five million dollars of assets transferred to Transamerica; 10 basis points (0.10%) on the next five million dollars of assets transferred to Transamerica; and 5 basis points (0.05%) on the next five million dollars of assets transferred to Transamerica.

Basic Annual Administration & Consulting Services

Pollard may be eligible to receive compensation under the Transamerica “Service Fee Income” (SFI) program, described below. Whether and to what extent Pollard is eligible for SFI payments depends upon the contract entered into between Transamerica and the Client. Payments under this program may be made from Transamerica Retirement Services Corporation for services provided by Pollard to Transamerica in connection with the ongoing compliance and administration of the Plan. Any amounts received by Pollard will be disclosed on Pollard’s Fee Schedule, as well as on the Plan’s Form 5500 for the plan year in which such payments are made, if any.

Asset-Based SFI Payments: For each calendar quarter, Pollard shall be paid the basis point amount disclosed on Pollard’s Fee Schedule. The basis point amount is calculated on the end-of-calendar quarter combined balances of the applicable investment options under the plan.