



RETIREMENT READINESS MANAGEMENT REPORT

Bowers Farms Sponsor
ABC Company 401(k) Plan Report
Created on mm/dd/yyyy





INTRODUCTION

How prepared are your defined contribution plan participants for retirement? The answer is important for both you as the plan sponsor and for the plan's participants.

"Retirement Readiness" means having the financial resources to enjoy a comfortable retirement. For purposes of this Report, we assume that a participant needs 80% of his or her current compensation to be ready for retirement. While that percentage is commonly used among retirement planners, it should be taken with a grain of salt. Individual participants' circumstances will differ, and so will their financial needs in retirement. Note, too, that other than Social Security benefits, this Report does not take into account resources a participant may have outside of the plan.

Our **Retirement Readiness Management Report** provides valuable information that will help you assess your plan's effectiveness, identify potential areas for improvement, and consider possible changes. The Report includes:

- An overview of your plan from a retirement readiness perspective.
- A demographic breakdown of your participants by age group and salary range in key areas.
- A detailed assessment of each plan participant's readiness.
- Suggestions on how your plan might be modified to improve retirement readiness.

The Report is based on participant information provided as of mm/dd/yyyy. As always, we stand ready to answer any questions and to help you improve your plan so it may better meet your participants' needs.

**TO DISCUSS THIS REPORT
PLEASE CONTACT YOUR
REPRESENTATIVE AT
NEWPORT GROUP**



OVERVIEW

ABC Company 401(k) Plan

AS OF mm/dd/yyyy



The **Retirement Readiness Management Report** provides a rough assessment of how ready plan participants are for retirement. The Report sometimes refers to a participant's "gap" — the dollar shortfall in terms of what a participant needs for retirement and the amount the participant may actually have. The Report does not take into account assets a participant may have outside of the ABC Company 401(k) Plan, or resources the participant's spouse or partner may bring to the equation.

Assumptions



Retirement Age

65



Investment Rate of Return

6%



Years in Retirement

20



Replacement Income Percentage

80%

Plan Metrics

Total Number Of Participants	5
Participants With Projected Gap	4 (80%)
Participants With No Projected Gap	1 (20%)
Participants Over Age 50 With Projected Gap	2 of 2 (100%)
Average Deferral Percent	45%
Average Deferral Percent To Close Gap	27%
Average Participant Age	40

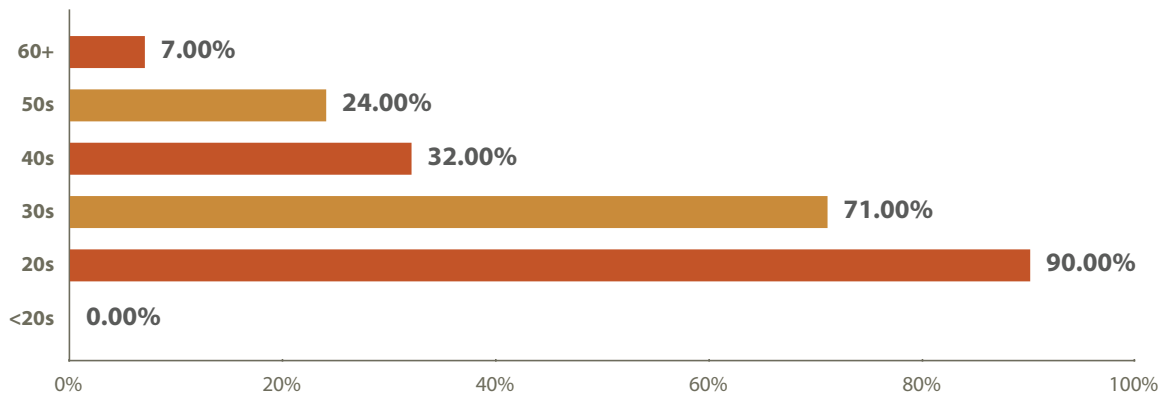
Average Deferral Among Active Savers

44.80%

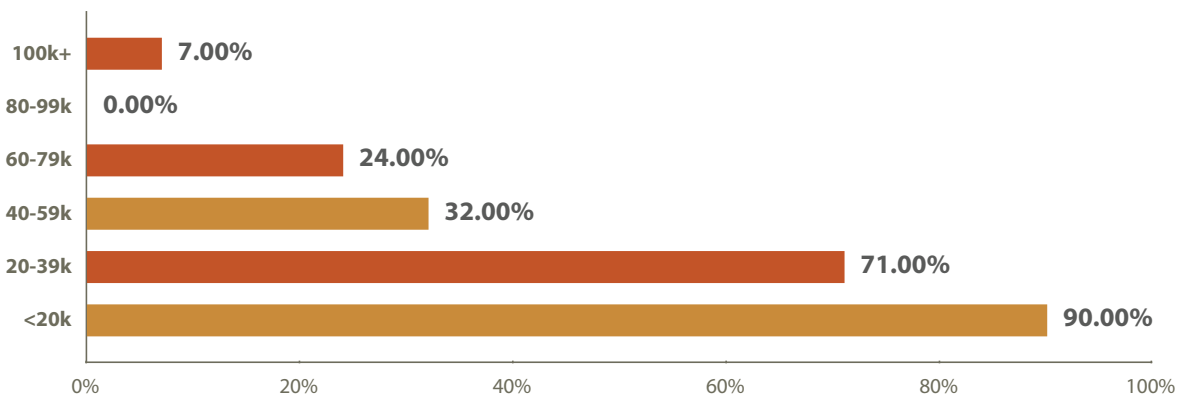


"Active savers" are plan participants who have an account value greater than \$0.

AVERAGE DEFERRAL AMONG ACTIVE SAVERS BY AGE



AVERAGE DEFERRAL AMONG ACTIVE SAVERS BY COMPENSATION



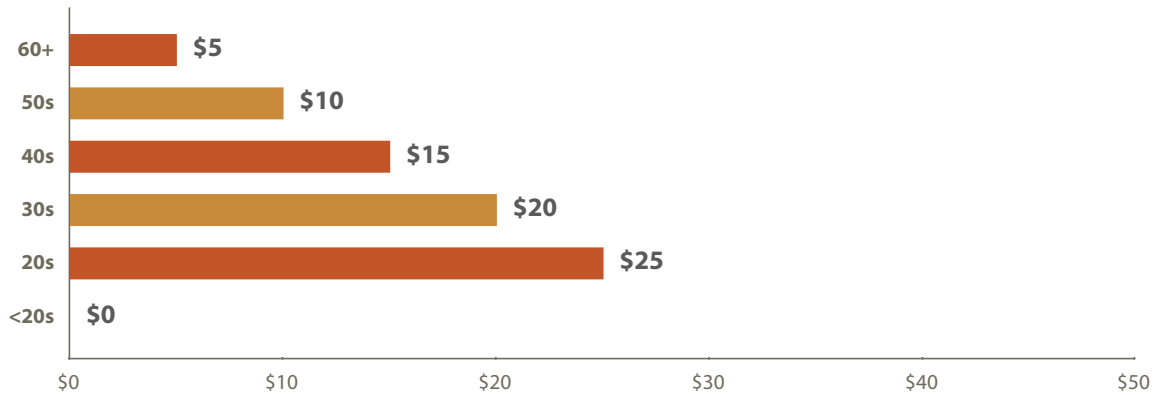
Average Account Balance Among Active Savers

\$15

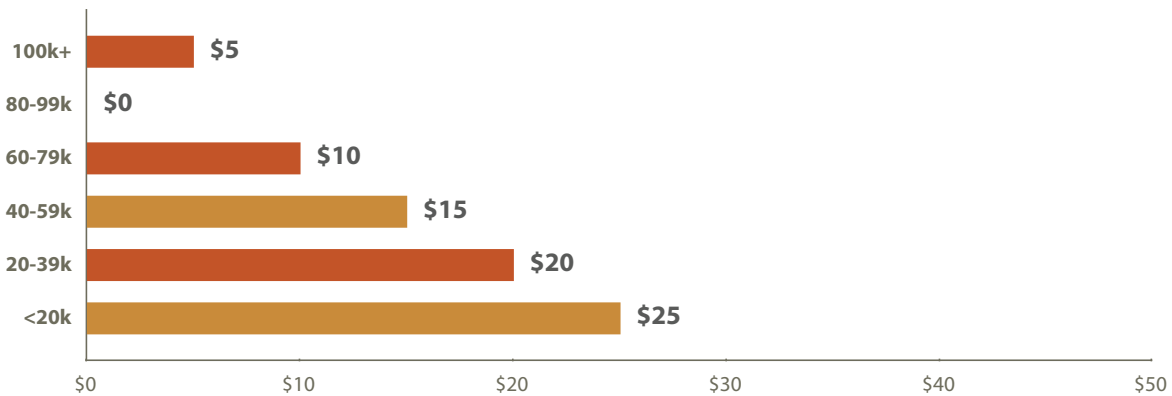


"Active savers" are plan participants who have an account value greater than \$0.

AVERAGE ACCOUNT BALANCE AMONG ACTIVE SAVERS BY AGE



AVERAGE ACCOUNT BALANCE AMONG ACTIVE SAVERS BY COMPENSATION



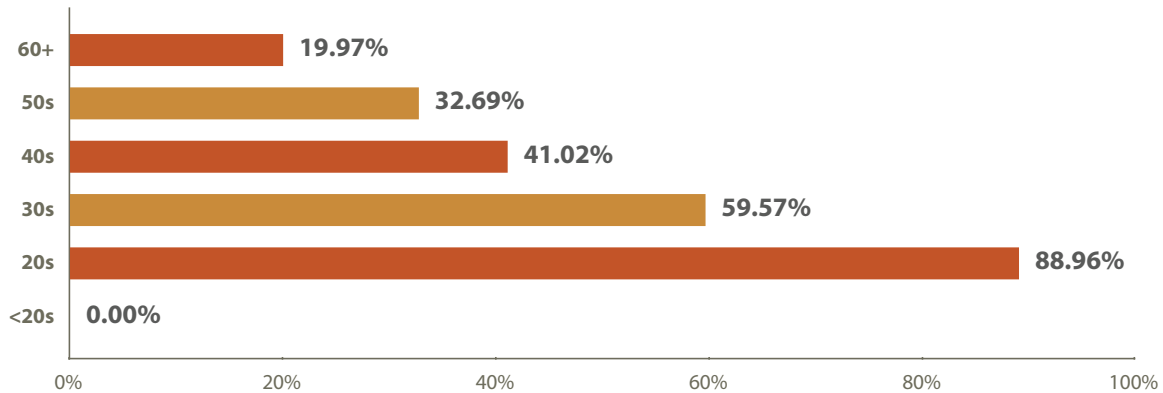
Replacement Income Ratio Among Active Savers

48.44%

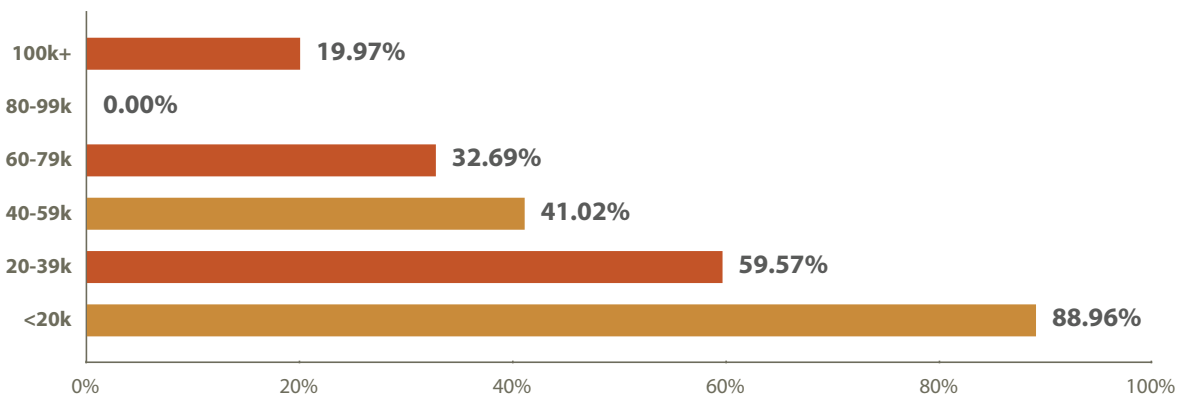


"Active savers" are plan participants who have an account value greater than \$0. The projected replacement income ratio is the projected retirement income over salary at retirement (e.g., if the replacement income percentage is 80% and participants are on track for that percentage, the graph will show 80%).

REPLACEMENT INCOME RATIO AMONG ACTIVE SAVERS BY AGE



REPLACEMENT INCOME RATIO AMONG ACTIVE SAVERS BY COMPENSATION



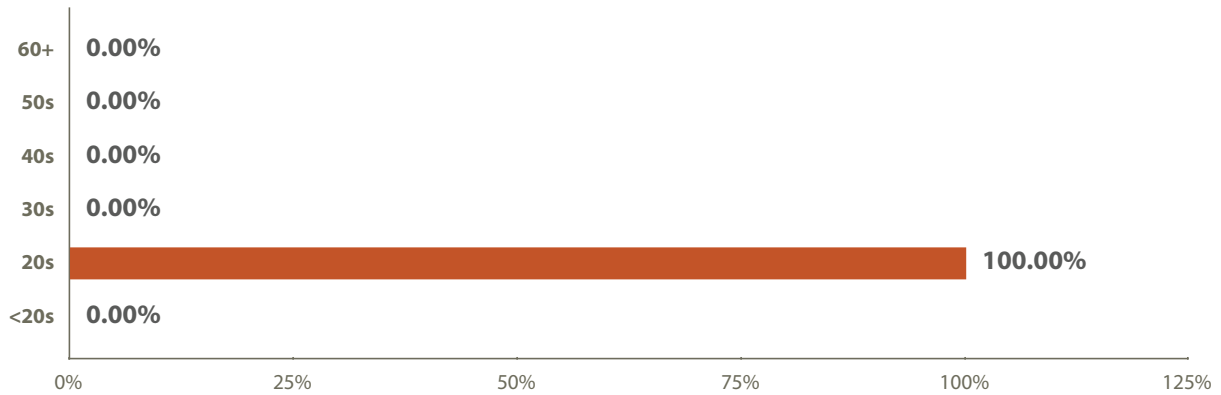
**Active Savers
On Track for 80%
Replacement Income**

20.00%

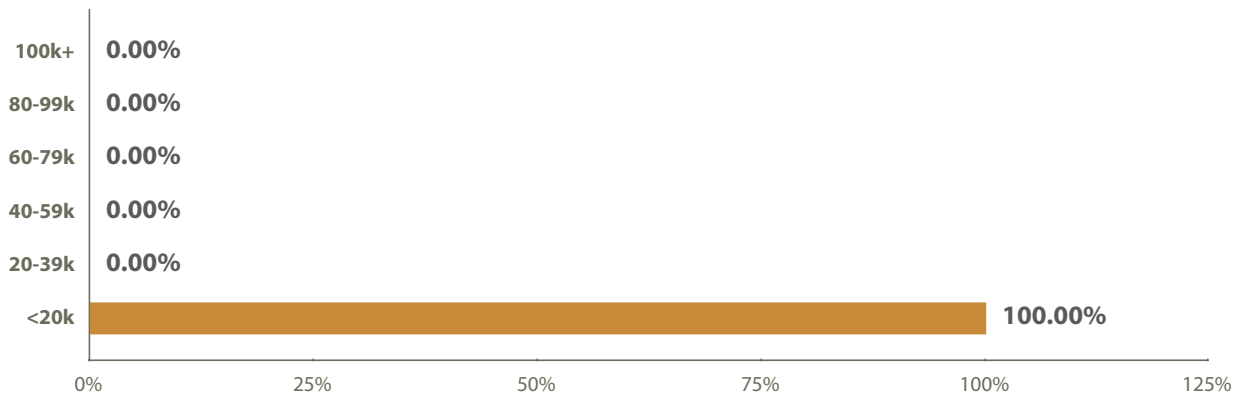


"Active savers" are plan participants who have an account value greater than \$0.

80% REPLACEMENT INCOME RATIO AMONG ACTIVE SAVERS BY AGE



80% REPLACEMENT INCOME RATIO AMONG ACTIVE SAVERS BY COMPENSATION



RETIREMENT READINESS MANAGEMENT REPORT

ABC Company 401(k) Plan

Report Date: mm/dd/yyyy

Participant Name	DOB	Salary	Current Deferral Percent	Required Monthly Income	Current Balance as of 12/31/2017	Required Balance at Retirement	Projected Balance at Retirement	Projected Monthly Income	Projected Monthly Soc. Sec.	Monthly Pension Benefit	Total Projected Income	Monthly Gap *	Recommended Deferral Percent
		\$150,000.00	7%	\$10,000	\$5	\$1,047,414	\$0	\$0.00	\$2,496.00	\$0.00	\$2,496.00	\$7,504	100%
		\$75,000.00	24%	\$5,000	\$10	\$412,740	\$0	\$100.00	\$1,943.00	\$100.00	\$2,043.00	\$2,957	25%
		\$50,000.00	32%	\$3,333	\$15	\$226,726	\$0	\$150.00	\$1,559.00	\$150.00	\$1,709.00	\$1,624	9%
		\$25,000.00	71%	\$1,667	\$20	\$59,415	\$0	\$200.00	\$1,041.00	\$200.00	\$1,241.00	\$426	3%
		\$15,000.00	90%	\$1,000	\$25	\$0	\$0	\$300.00	\$812.00	\$300.00	\$1,112.00	No Gap	N/A

This analysis is based on limited participant information. It does not, for example, take into consideration resources participants may have outside of their plan (e.g., family home, spousal income/retirement resources).

This analysis assumes that participants will retire at the plan's normal retirement age of 65. Social Security estimates are based on that age, which may be different than the age at which maximum Social Security benefits might be secured. Many variables go into Social Security calculations, and the number presented is an approximation.

Participant contribution and compensation data used in this report is based on information provided by the plan's recordkeeper and does not consider future increases.

*Represents difference between required monthly income needed and total projected income. Actual Gap may be greater or lesser depending on future compensation increases and actual deferral rates.

Projected Monthly Income includes Monthly Pension Benefit.



PLAN SUGGESTIONS



Plan Design

Education

We offer several communication options to improve participant understanding of the need to join the plan and to defer at an adequate level in order to prepare for retirement, including:

- **Gap analysis targeted single** – This participant-specific communication provides an assessment of how much income (including Social Security benefits) the participant may have upon retirement, based on such variables as birthdate, salary, current deferral percentage, and current account balance. The communication projects a participant's "gap" — the difference between what the participant is likely to need and what is likely to be available. The communication then suggests multiple ways the "gap" can be closed, focusing primarily on increasing deferral rates.