

ACEC

ENGINEERING RETIREMENT
PLAN EXCELLENCE FOR 50 YEARS



Importance of onboarding and engagement

- *Organizations with a strong onboarding process improve new hire retentions by 82% and improve productivity by more than 70%*
- *Engaged employees are 59% less likely to seek out a new job*



Top financial issues facing employees



- Health and financial wellness
- Day to day financial decisions
- Competing financial priorities

Financial stress leads to decreased employee productivity, Increased absenteeism, and high employer costs

57% of participants worry about their finances at work at least once per week

45% of participants say they would be more productive if they weren't worried about their finances

Financial stress costs employers an estimated **\$2,169** per employee, per year

80% of Americans do not have access to a financial advisor

Nearly 40% of Americans think they will need less than \$500,000 to retire¹



Statistics sources from the John Hancock 2020 financial stress survey. Estimated cost per employee is based on a total of 55 hours lost per year with an estimated average annual salary of \$80,000.

¹GBR article by Maddie Duley, September 16,2022



ACEC RT Student Debt 401(k) Solution

High cost to waiting while your competition implements new programs

- US turnover = \$500 billion+ annually
- Recruiting costs up to 200% of annual salary for each lost employee
- Employers that fail to innovate generate 12% less revenue and are 32% less profitable

Student Debt and your employees

Student debt has increased 107%

43 million borrowers = \$1.6 Trillion in student debt

Student debt has outpaced the rate of inflation

Signing bonuses: helpful but are taxed

Student loan repayment programs top the list of benefit “must haves” for employees according to:

- Glassdoor
- Harvard Business Review
- Forbes



ACEC RT Student Debt 401(k) Solution



Cutting-edge solution to the student loan debt crisis

- Tool to attract and retain talent
- Easy to understand and valued benefit by employees
- SLR + Qualified Plan contributions – **ONLY TAX ADVANTAGED SOLUTION AVAILABLE**

Enables employers to make tax-qualified 401(k) plan contributions to employees

401(k) account while the employee is paying down their student loans

- *Gets employees started towards retirement savings while still allowing them to repay their student loan debt*
- **ONLY structure that allows employer assistance with debt repayment on a pre-tax basis**
 - Can be structured as an additional contribution or replace existing match feature
 - Plan sponsors have choice in amendment design



ACEC RT Student Debt 401(k) Solution

Plan Sponsor Chooses:

1. Effective amendment date to Empower 401(k) prototype document

2. One of two structures for student loan repayment benefit contribution:
 - Employer Contribution Alternative
 - Participants receive student loan repayment contributions in lieu of other employer contributions (i.e., match, profit-sharing)
 - Year-end true-up if student loan repayments are insufficient

 - Safe Harbor 401(k) Plan Alternative
 - Participants receive student loan repayment contributions *as well as* other employer contributions
 - Year-end true-up if student loan repayments are insufficient

ACEC RT Student Debt 401(k) Solution

3. One of four menu options for amount of student loan repayment contribution

- 5% of compensation in exchange for student loan repayments equal to 2% of compensation
- 4% of compensation in exchange for student loan repayments equal to 1.5% of compensation
- 3% of compensation in exchange for student loan repayments equal to 1% of compensation
- 2% of compensation in exchange for student loan repayments equal to 0.5% of compensation

Note: Student loan repayment contribution amounts are fixed based on the single menu option selected by the plan sponsor. An employee who makes student loan repayments greater than the stated compensation percentage in that menu option, i.e. 0.5%, 1.5% etc. does not earn a greater student loan repayment contribution.

4. Whether to follow existing plan allocation conditions or impose unique allocation for student loan repayment contributions

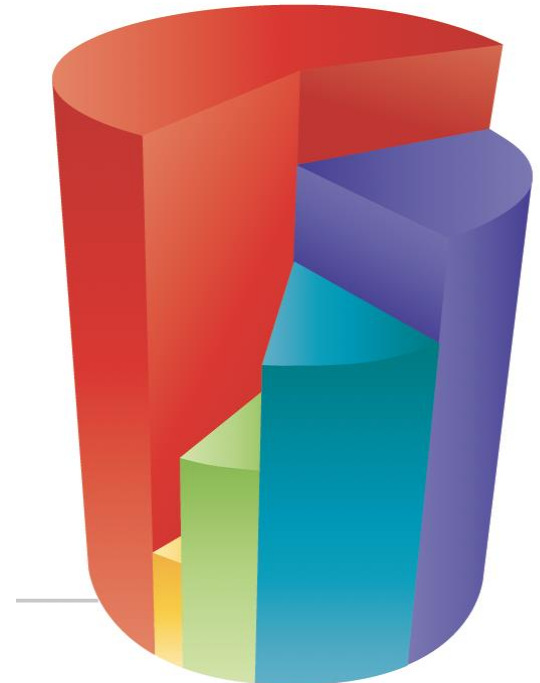
5. Whether or not highly compensated employees (HCE'S) can participate

Getting employees started toward retirement savings

- Eligible student loans are the following:
 - Federal Perkins Loans
 - Private Student Loans
 - Subsidized and Unsubsidized Stafford Loans (FFELP/Direct)
 - Health Professional Loans
 - Grad PLUS Loans (FFELP/Direct)
 - Student Consolidation Loans
 - Student Refinance Loans
 - State Loans
 - Other educational loans, as determined by the Administrator

ACEC Retirement Trust helps retain and attract employees

- Enhanced fiduciary protection
- Lower fees for all-inclusive solution
- Institutional-scale investments, flexible fund lineup
- Industry leading business partners:
 - Empower – Recordkeeper
 - CAPTRUST – Financial Advisor to the Trust and Financial Advisors to all participants
 - McDermott, Will & Emery – Legal Counsel
- Unbiased, conflict-free financial advice for every participant
- Plan Sponsor and Participant education and support



Save Time • Save Money • Improve outcomes • Provide Fiduciary Insulation

Let us manage your fiduciary risk and give your employees a better retirement

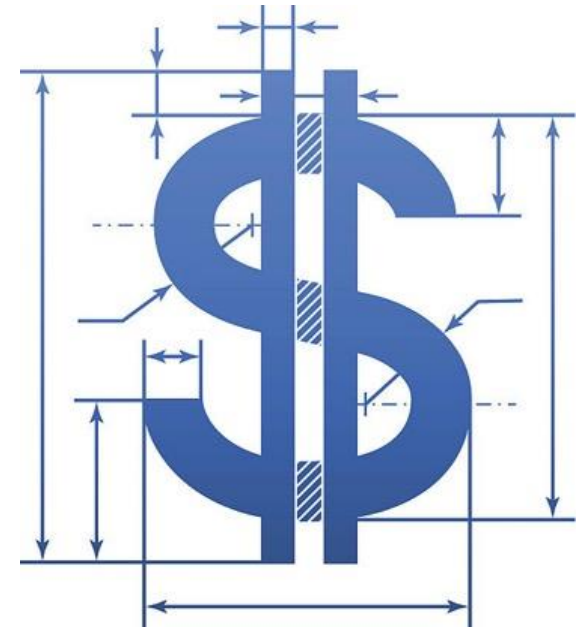
Contact me for a free benchmarking analysis of your plan

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Visit: www.acecrt.com



CAPTRUST Participant Advisory Service (PAS) at no additional fee

- Highest level of fiduciary advice under ERISA
- Expert advice to help you retire with confidence and avoid financial stress
- A personal financial advisor for all, from Admin to C-Suite
- Unbiased, conflict-free investment advice based on knowledge level and life stage: Early-, mid- and late-career
- Help with tough financial issues: current and future
- Retirement Blueprint^{®*} based on each person's goals. Annual update.



*Proprietary tool exclusive to CAPTRUST

ACEC RT: Total fiduciary outsourcing

| | No outside fiduciary | 3(21) Investment Advisor | 3(38) Investment Manager | The Trust |
|--|--|--------------------------|--------------------------|-----------|
| Roles & Responsibilities. | Fiduciary responsibility and liability falls on: | | | |
| Select & monitor investment service providers | You | You | You | RT |
| Select, monitor & terminate investment advisor | You | You | You | RT |
| Develop & maintain investment policy | You | You | Inv. Mgr | RT |
| Investment options: Select, monitor, terminate | You | You | Inv. Mgr | RT |
| Monitor advisor investment activity for compliance | You | Inv. Advisor | Inv. Mgr | RT |
| Investment line-up: Determine ERISA compliance | You | Inv. Advisor | Inv. Mgr | RT |
| All service providers: select, monitor, terminate | You | Inv. Advisor | You/Inv Mgr | RT |
| Service provider fees: Determine ERISA compliance | You | Inv. Advisor | You/Inv. Mgr | RT |
| ERISA-compliant participant fee disclosures | You | Inv. Advisor | You/Inv. Mgr | RT |
| Negotiate & monitor service provider fees | You | Inv. Advisor | You/Inv. Mgr | RT |

PAS: Impact of financial wellness program

- Reduced financial stress means increased productivity
- 70% of participants we work with make immediate changes
- Financial wellness cuts healthcare costs $\approx 4.5\%$
- With professional advice, deferrals increase $\approx \$1,150$
- Participants log on to www.captrustadvice.com to schedule appointment with a financial advisor; appointments are via phone/screen-sharing.
- Financial Wellness: educational content is emailed to all participants including webinars, topical spotlight videos, articles. All this and calculators are also on the website.



ACEC RT: Enormous buying power and a structure with industry-leading partners



CAPTRUST: Investment consultant.
Nation's largest independent RIA.

Independent review of investment options, advises Trustees, investment reports, financial advisor for each participant at no extra cost



EMPOWER: Recordkeeping consultant. Top recordkeeper in U.S.

Concierge service (dedicated team) with individualized attention to your plan, innovative participant website and education, recordkeeping, cybersecurity guarantee.



McDermott, Will & Emery: Legal consultant. Top ERISA law firm

Legal oversight for ERISA compliance, fiduciary training for Trustees and plan sponsors, legislative & regulatory updates

Why belong to the ACEC Retirement Trust

- Save time
- Save money
- Improve outcomes
- Reduce Fiduciary risk

Enhanced fiduciary insulation

Aggregate buying power based on combined assets

Institutional-grade investments & tiered approach

Industry Leading Partners

CAPTRUST Participant Advice Service (PAS)

ACEC RT Student Debt Solution

Helps recruit and retain the best talent.

Overseen by engineers... for engineers

Disclosures

ACEC

ACEC is a Federally registered trademark of American Council of Engineering Companies Inc. (ACEC) and is used herein according to appropriate permissions of registrant. RT is a registered trademark of the ACEC Retirement Trust which is a separate entity from the American Council of Engineering Companies Inc. (ACEC).

Great-West/Empower Retirement affiliates Disclosures

Great-West is not serving as a fiduciary or an investment advisor registered under the Investment Advisers Act of 1940 or any State law with respect to the Trust or any plan participating in the Trust. Plans can retain Advised Assets Group, LLC (“AAG”), a federally-registered investment adviser, to provide account management, investment advice and guidance services to Plan participants. AAG is an affiliate of Great-West. AAG acts as a fiduciary under ERISA in providing the Managed Account service and the Online Investment Advice service described below.

At the written election of a Plan participant, AAG will provide the following services:

Managed Account Service. The Managed Account service is designed for the “*Do-It-For-Me*” investor who wants a financial expert to manage their account, using funds from within the Trust’s lineup. This solution will automatically rebalance and reallocate the participant’s portfolio on a quarterly basis. There is a separate fee to the participant for this service.

Online Investment Advice. The Online Investment Advice service is designed for the “*Help-Me-Do-It*” investor. This option provides tailored, fund-specific recommendations for each participant but allows the participant to make the final decision and implement the recommendations. There is a separate fee to the participant for this service.

Online Investment Guidance. The Online Investment Guidance solution is designed for the “*Do-It-Myself*” investor who wants confirmation of the most appropriate asset class allocations for their portfolio. Participants choosing this option are still fully in control of their account and will make any desired changes themselves. There is no additional fee for this service.

Fees for these services (as applicable) are deducted directly from a participant’s account.

ADDITIONAL SERVICES: Great-West services also may include, at the election of the Plan, Plan level transactional services as more fully set forth in the ACEC Retirement Trust/Great-West joint Fee Disclosure document.

DIRECTED TRUSTEE/CUSTODIAN SERVICES: Great-West’s wholly owned subsidiary Great-West Trust Company, LLC provides directed trustee and/or custodian services to the plans participating in the Trust and in that capacity would become a fiduciary with respect to the Plan upon participating in the Trust.

Disclosures

CAPTRUST Financial Advisors and affiliates

CAPTRUST Financial Advisors serve as a co-fiduciary to the Trust alongside the trustees of the Trust and also serves as the investment advisor registered under the Investment Advisers Act of 1940 with respect to the Trust.

INVESTMENT ADVISORY CONSULTING: CAPTRUST Financial Advisors is the investment adviser to the Trust and their services include: (i) Trust level investment advice; (ii) Investment Policy Statement development; (iii) Investment Menu development; (iv) Ongoing Investment due diligence; and (v) Fee Benchmarking.

TRUST PROCESS MANAGEMENT: CAPTRUST Financial Advisors as the investment adviser to the Trust provides (i) Online Process Documentation; (ii) CAPTRUST and Industry Research; (iii) Electronic Repository of Key Trust Documents; (iv) Maintain Trust Information Supplied by Client.

VENDOR ANALYSIS: CAPTRUST Financial Advisors as the investment adviser to the Trust provides (i) Vendor Analysis, Benchmarking and Scoring; (ii) Plan Administration and Investment Cost Comparison; and (iii) Overall Recommendation and Ongoing Due Diligence.

McDermott Will & Emery

McDermott Will & Emery is not serving as a fiduciary to the Trust nor as an investment advisor registered under the Investment Advisers Act of 1940 or any state law with respect to the Trust or the Plan.

TRUST SERVICES: McDermott Will & Emery is the legal advisor to the Trust providing legal advice under ERISA and the Code, to ensure the continued tax-exempt status of the Trust and to assist the Trustees of the Trust in satisfying their duties under ERISA and the Code.