



Susquehanna Community Health & Dental Clinic, Inc.

Retirement Plan Update

2017 Calendar Year

General

- A Board Resolution must be sent to the Full Board for consideration, formalizing the allocation of fiduciary responsibility by officially charging the Finance & Audit Committee as the Plan Administrator. In addition, the resolution outlines that the President & CEO is charged with developing a Retirement Plan Committee that is comprised of the President & CEO, CFO, HR Manager, and as many staff as deemed appropriate by the CEO.
 - In the Financial Policy Manual, it has been defined as having no less than 2 additional staff members.

Compliance Testing Report

- Each year Citizen's & Northern Bank, who is the Plan Investment Manager, is required to complete a Compliance Testing Report on the retirement plan. For CY 2017 all elements of the compliance testing passed. There were notes made on some of the testing elements labeled as future ramifications:
 - **Maximum Deferral Limit** – All participants should be aware of the maximum amount they can contribute to the plan.
 - Response from SCH&DC: Annual notifications are made to employees during open enrollment, when an employee requests a change to their retirement plan contribution, and during employee orientation for new hires.
 - **Average Deferral Percentage** – SCH&DC should be aware of the “universal” availability” requirement. At the current time no employees are excluded from making elective deferrals and, per the requirement, are immediately eligible.
 - **Average Contribution Percentage** – Given the fact that the match is capped at a relatively low dollar amount it is doubtful that the plan will ever fail this test. However, compliance must still be demonstrated each plan year.

Plan Data Report

- SCH&DC's retirement plan had a total market value of approximately \$1.3 million at the end of 2017, which was an increase in market value of approximately \$243,000.
- The “Simple Participation All” rate, which is the total number of individuals that are eligible and participating in the plan, for the plan in 2017 was approximately 43% which was an increase over 2016 of approximately 4%. The goal for simple participation all is 70% of eligible employees.
- Breaking down the simple participation rate into those who are eligible to participate in the plan and eligible for the employer match vs. those who are eligible to participate in the plan but are not eligible for the match the results for 2017 were:
 - Simple participation match eligible – 51% in 2017 vs. 50% in 2016
 - Simple participation not match eligible – 29% in 2017 vs. 23% in 2016

Fee Disclosure Report

- **Cost as a % of Assets** takes the total fees paid for the plan in relation to the total assets of the plan. For 2017, SCH&DC had a cost as a % of assets of 1.24% compared to the industry average of 1.90%.
- **Average Cost/Participant** takes the total fees paid for the plan in relation to the total number of participants in the plan. For 2017, SCH&DC had an average cost/participant of \$237.53 compared to the industry average of \$190.

*Note: Industry averages were taken from <http://www.401ksource.com>.
The comparisons are based on 100 participants with \$1 Million in Assets*