

**Scott N. Sawyer, JD**  
Associate Superintendent,  
Finance & Grants

**Kyle Clement**  
Vice President

**Josh Williams, MBA**  
Vice President

# **E06 - Single Source for 403(b)**

April 23, 2026  
MSBO



# Welcome from Bay City Public Schools

**Scott N. Sawyer, JD, HRS, CFO**

**Associate Superintendent, Finance**



- 23rd year in education, 20th in admin
- From Hastings, MI
- B.A. - Alma (2003)
- J.D. - WMU (2015)
- Ph.D. - WMU (in progress)
- Certs: CRO, HRS, Admin, Teacher, Accounting
- MS/HS Math Teacher, **Chesaning** (8 yrs)
- Finance Director, **Chesaning** (5 yrs)
- Finance Director, **Birch Run** (5 yrs)
- HR/Finance/Operations, **Saginaw ISD** (10 yrs)
- Finance, **Bay City** (2 months)
- MSBO Business Official of the Year (2021)
- MSBO Meridian Award (2024, 2026)
- Family: Christine, 6 cats

# Welcome from Williams & Company

**Joshua Williams, MBA**

Vice President



- 17th year in Financial Planning
- B.A. - Northwood University
- M.B.A. - Northwood University
- W&C is in its 25th year
- From Hudsonville, MI
- Series 7 General Securities Representative
- Series 24 General Securities Principal
- Investment Advisor Representative

# Welcome from Williams & Company

**Kyle Clement**

Vice President



- 17th year in Financial Planning
- B.A. - Northwood University
- Super Bowl Champ - Steelers 2008
- Series 7 General Securities Representative
- Series 24 General Securities Principal
- Investment Advisor Representative
- Family of 5

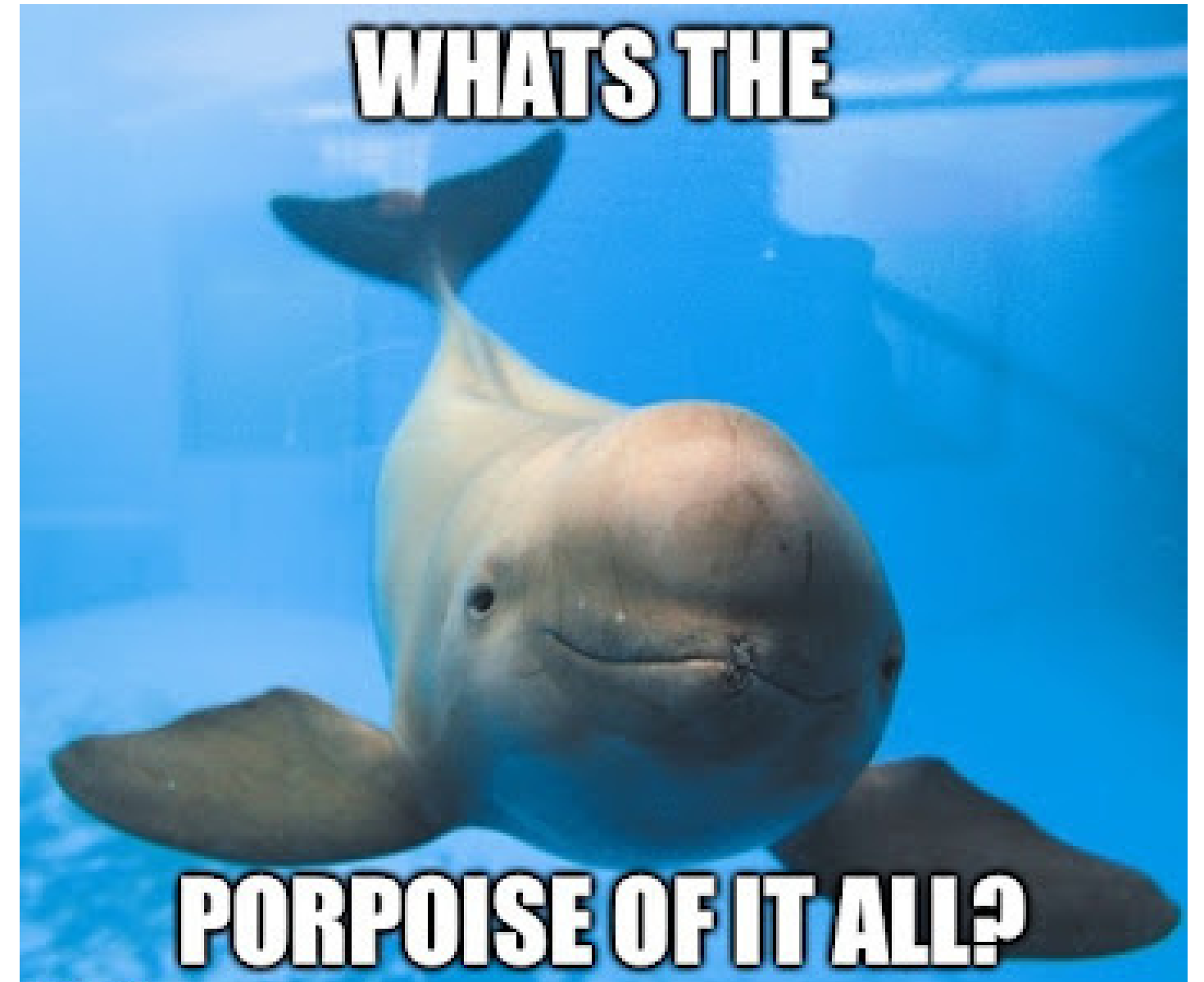
# Caution

- These slides reflect general legal standards for the related presentation and are not intended as legal advice for specific situations
- Future legal developments may affect these topics



# Agenda

Learn how Saginaw ISD partnered with Williams & Co. on a single source for employee deferred compensation and increased employee opportunities.



# The Problem

# Saginaw ISD Facts - 2023-24

- 716 employees
- 26 unique vendors for 403(b) & 457(b)
- 11% of staff investing with a vendor
- 46% of staff have no MPERS DC component
- 54% of staff in MPERS with DC component
  - Pension Plus, Pension Plus 2, Defined Contribution, and/or Pension Healthcare Fund
  - 6% of those were not contributing enough to get full employer match
- 403(b) contribution per check:
  - Min: \$20
  - Median: \$150
  - Mean: \$248
  - Max: \$1,700



# How'd we get here?

2007 IRS Reform

+

2012 MPERS Reform

+

Time

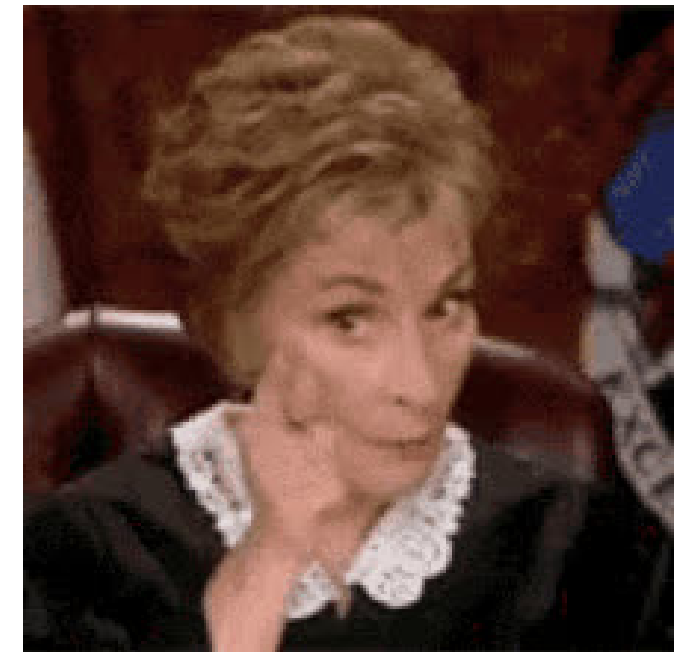
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Low employee investment/savings

# IRS Regulations

# Final 403(b) Regulations

- Final 403(b) Regulations issued July 2007
- Summary
  - Effective date: January 1, 2009
  - Bring 403(b) requirements much closer to 401(k) requirements
  - Placed increased administrative responsibility on the employer
  - Required planning and implementation of policies, procedures, and documentation by January 1, 2009



# Final 403(b) Regulations

## Written Plan Document

- Previously, no requirement to have or operate plan in accordance with a plan document – now both apply!
- Regulations indicate that a single plan document is expected for programs with multiple vendors
- Required to be in place no later than December 31, 2009



# Final 403(b) Regulations

- Final regulations confirm that Roth contributions can be made to a 403(b) plan
  - Contributions will be after-tax
  - Distributions are tax free, if certain requirements are met
- Elimination of life insurance investment
  - After September 24, 2007, no stand-alone life insurance contracts are permitted
  - Death benefits part of a qualified annuity contract are permitted and certain existing life insurance contracts are grandfathered

# Final 403(b) Regulations

## Transfers and exchanges

- Exchanges among vendors authorized under the plan and transfers to other plans maintained by a participants current or former employer are permitted (but not required)
- Exchanges must be covered under an information sharing agreement
- Failure to have information sharing agreements in place by January 1, 2009 could cause taxation to participants
- Transfers to a governmental retirement plan to purchase service credit are permitted (TDP)



# Final 403(b) Regulations

- Third Party Administrator
  - Document actions that are the employer's responsibility, but will be delegated, in whole or in part, to a vendor
    - Employer must monitor vendor plan administration
- Address how non-compliance will be handled
  - Remedies—employer must make a decision
- Areas where vendors may look for more employer involvement:
  - Determining employee eligibility
  - Contribution limitations
  - Approving vendor to vendor transfers/exchanges
  - Approval of distributions – termination, age 59 ½, hardship
  - Qualified Domestic Relations Orders (QDROs)



# New Problems...

- District has relationship with TPA
- Employee has relationship with Vendor
- Vendor paid based increasing employee contribution
  - Not performance of investments
- Districts added lots of Vendors
- Vendors not necessarily knowledgeable about MPERS or other district benefit offerings
- Vendors showing up randomly at schools, attending events, etc.

# **MPSERS Reform**

# Pension System(s)

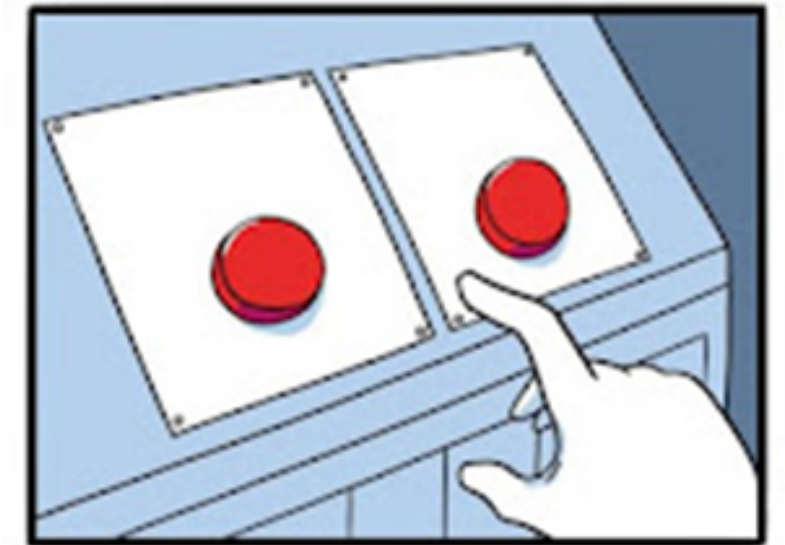
Pension System	First Worked
Basic	1977 - Dec 31, 1989
MIP Fixed (Basic Converted)	Jan 1, 1990 - Jan 1, 1993
MIP Graded	Jan 1, 1990 - Jun 30, 2008
MIP Plus	Jul 1, 2008 - Jun 30, 2010
Pension Plus	Jul 1, 2010 - Jan 31, 2018
Pension Plus 2	Feb 1, 2018 - Current
DC (by choice or conversion)	Sep 4, 2012 - Current

# MPSERS Reform - PA300

- **Option A**: Stay with premium subsidy
  - Employee pays 3% HCC/PS
- **Option B**: Convert to PHF
  - 2% employee elective contribution to 457(b)
  - 2% employer contribution to 401(k)
    - 100% of employee contribution, max 2%

# MPSERS Reform - PA300

- **Option 1**: retain 1.5% pension factor, increase contributions
  - Basic: 4%
  - MIP Fixed, Graded, Plus: 7%
- **Option 2**: Same as Option 1, but after 30 YoS, 1.25%
  - Contributions revert to original
- **Option 3**: Drop to 1.25% pension factor
  - At transition date (February 1, 2013)
  - Contributions remain same
- **Option 4**: Defined Contribution
  - Employer contributes to 401(k)
  - Employee contributes to 457(b)



# MPSERS Reform - PA300

## New Hires Options

- **Pension Plus 2 (DB/DC Hybrid)**
  - 6.2% DB contribution
  - 2% employee elective to 457(b)
  - 1% employer contribution to 401(k)
    - 50% of employee contribution, max 1%
  - PHF: Pension Healthcare Fund
- **Defined Contribution (DC)**
  - 6% employee elective contribution to 457(b)
  - 4% employer contribution to 401(k)
  - 3% employer contribution to 401(k)
    - 50% of employee contribution, max 3%
  - PHF: Pension Healthcare Fund



# MPSERS Reform - PA300

Why a 457(b) and 401(k)?

- 457(b) - not impact employee 403(b) limitations
- 401(k) so employer can have vesting requirements:
  - After 1 year: 0%
  - After 2 years: 50%
  - After 3 years: 75%
  - After 4 years: 100%



# MPSERS Reform

- Basic PS
- Basic PHF
- Basic 4% PS
- Basic 4% PHF
- Basic DC Converted PS
- Basic DC Converted PHF
- MIP Fixed PS
- MIP Fixed PHF
- MIP Graded PS
- MIP Graded PHF
- MIP Plus PS
- MIP Plus PHF
- MIP 7% PS
- MIP 7% PHF
- MIP DC Converted PS
- MIP DC Converted PHF
- Pension Plus PS
- Pension Plus PHF
- Pension Plus 2 PHF
- DC PHF

# Summary

- **2007 IRS Changes** - Third Party Administrator
  - **Result:** Lots of vendors...added everyone who asked
- **2012 MPSERS Changes**
  - **Result:** More employees with state (Voya) investment accounts
  - **Result:** Complicated retirement system
  - **Result:** Trust in investment vendors?
- **Time**
  - **Result:** Too many vendors to educate employees
  - **Result:** MPSERS too complicated for vendors and business office to educate employees
  - **Result:** Investments compete with MPSERS, not complement MPSERS

**Single Source**

# What the district wanted...

- Single Vendor
- Eliminate need for TPA (long-term)
- Knowledgeable about MPERS & other district benefit offerings
  - Complement, not compete
- Educate staff
  - Investment
  - MPERS
- Contractual relationship with District
- District ability to schedule informational sessions
- Desire to “grandparent” current investors/vendors

# The district's journey

- Vetted multiple companies
- Voya first...
  - Connection to MPSERS
  - Little interest
- Other local agencies
- Williams & Co
  - Knowledgeable about MPSERS
  - Instant legitimacy: HSA comment
  - Willing to meet Saginaw ISD needs



**Roll Out**

This presentation is intended for general information purposes only. Neither PlanMember Securities Corporation nor its affiliated companies or representatives offer legal or tax advice. Please seek the advice of your tax, legal, and/or financial services professional prior to making a tax-related insurance/investment decision.

Williams and Company Financial Services and PlanMember Securities Corporation are independently owned and operated companies. Representatives registered with and offer only securities and advisory services through PlanMember Securities Corporation, a registered broker/dealer, investment advisor, and member FINRA/SIPC.

# Single Source 403b/457



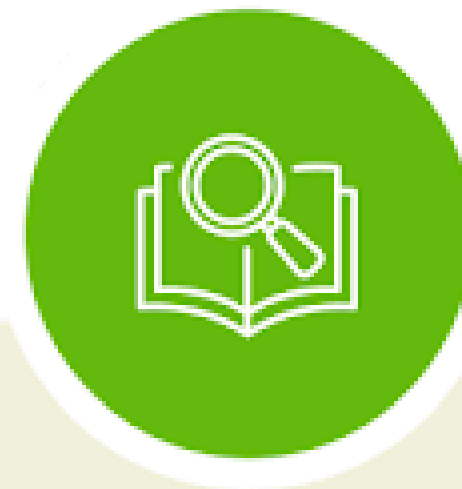
## AESA Partnership

AESA and PlanMember have partnered for retirement planning



## Best in class Investments

High-Quality, low-cost funds selected from leading fund companies such as Vanguard and Fidelity. Advisory Services available



## Service Oriented

Our team is dedicated to bringing your employees a high level of service and information



## MPSERS Knowledge

We have a history of staying up to date on MPSERS changes, MPSERS board watching, and statewide presentations for MARSP

## PlanMember AESA 457(b) Plan Investment options fact sheet

Through the PlanMember Program, you can invest in a professionally managed PlanMember Asset Allocation Portfolio that matches your personal tolerance of investment risk. The PlanMember Financial Professional for your plan can help you determine your personal risk tolerance and select the PlanMember Portfolio that is right for you. If you would like to self-direct the investment of your account, you can choose from a carefully selected, broadly diversified collection of mutual funds from some of the nation's most recognized fund companies.

### The PlanMember Asset Allocation Portfolios

**PlanMember Conservative Portfolio I**  
Objective: Stability of principal and inflation protection

**Typical composition:** Conservative Portfolio I typically invests primarily in money market and/or bond funds. An allocation of stock funds also may be included to protect against inflation.

**PlanMember Moderate Conservative Portfolio II**  
Objective: Stability of principal and moderate long-term growth

**Typical composition:** Moderate Conservative Portfolio II typically invests in money market and/or bond funds for stability, with allocations of large and small-company stock funds for growth and protection from inflation.

**PlanMember Balanced Portfolio III**  
Objective: Moderate long-term growth

**Typical composition:** Balanced Portfolio III typically invests in a combination of large and small-company stock funds, along with money market and/or bond funds.

**PlanMember Growth Portfolio IV**  
Objective: Long-term growth

**Typical composition:** Growth Portfolio IV typically invests in stock funds, with small investments in money market and/or bond funds. Equity allocations are typically split among small and large-company domestic stock funds, as well as international stock funds.

**PlanMember Aggressive Growth Portfolio V**  
Objective: Maximum long-term growth

**Typical composition:** Aggressive Growth Portfolio V typically invests in an asset mix that is split among small and large-company domestic stock funds, as well as international stock funds.

All plan shares are for illustrative purposes only and are not intended to depict the plan, contract, or future portfolio elections.

### MUTUAL FUND OPTIONS

#### Stable value option

**The Standard Stable Asset Fund II**  
Fund type: Group annuity  
Description: The fund is designed to provide plan participants with a guaranteed return of principal and interest, which is credited on a daily basis. The fund is backed by the financial strength of Standard Insurance Company.

#### Fixed-income funds

**Federated Hermes Institutional High-Yield Bond (FHIX)**  
Fund type: High-yield bond  
Inception date: 06/29/2016  
Objective: Seeks high current income. The fund pursues its investment objective by investing primarily in a diversified portfolio of high-yield corporate bonds (also known as "junk bonds"), which include debt securities issued by U.S. or foreign businesses (including emerging market debt securities). It may invest in derivative contracts (for example, futures contracts, option contracts and swap contracts) to implement its investment strategies.

**Fidelity U.S. Bond Index (FXNAX)**  
Fund type: Intermediate core bond  
Inception date: 05/04/2011  
Objective: Seeks to track the performance of the Bloomberg Barclays U.S. Aggregate Bond Index. The fund normally invests at least 80% of the fund's assets in bonds included in the Bloomberg Barclays U.S. Aggregate Bond Index. Its manager uses statistical sampling techniques based on duration, maturity, interest rate sensitivity, security structure, and credit quality to attempt to replicate the returns of the Bloomberg Barclays U.S. Aggregate Bond Index using a smaller number of securities. The fund invests in Fidelity's central funds.

**Vanguard Inflation-Protected Securities Admiral (VIMPX)**  
Fund type: Inflation-protected bond  
Inception date: 06/10/2005  
Objective: Seeks to provide inflation protection and income consistent with investment in inflation-indexed securities.

The fund invests at least 80% of its assets in inflation-indexed bonds issued by the U.S. government, its agencies and instrumentalities and corporations. As a minimum, all bonds purchased by the fund will be rated investment-grade or, if unrated, will be considered by the advisor to be investment-grade.

**Vanguard Short-Term Investment-Grade Admiral (VNSUX)**  
Fund type: Short-term bond  
Inception date: 03/13/2001  
Objective: Seeks to provide current income while maintaining limited price volatility. The fund invests in a variety of high-quality and, to a lesser extent, medium-quality fixed-income securities, at least 80% of which will be short and intermediate-term investment-grade securities. High-quality fixed-income securities are those rated the equivalent of A2 or better; medium-quality fixed-income securities are those rated the equivalent of Baa1, Baa2, or Baa3.

#### Domestic equity funds

**DFA U.S. Core Equity I (DFECX)**  
Fund type: Large blend  
Inception date: 09/15/2005  
Objective: Seeks to achieve long-term capital appreciation. The fund purchases a broad and diverse group of securities of U.S. companies. It invests in companies of all sizes, with increased exposure to smaller capitalization, lower relative price, and higher probability companies as compared to their representation in the U.S. Universe.

#### Fidelity 500 Index (F500)

Fund type: Large-cap blend  
Inception date: 05/04/2011  
Objective: Seeks to provide investment results that correspond to the total return performance of common stocks publicly traded in the United States. The fund normally invests at least 80% of assets in common stocks included in the S&P 500 Index, which broadly represents the performance of common stocks publicly traded in the United States. It lends securities to earn income.

#### Fidelity Mid-Cap Index (FMCIX)

Fund type: Mid-cap blend  
Inception date: 09/08/2011  
Objective: Seeks to provide investment results that correspond to the total return of stocks of mid-capitalization United States companies. The fund invests normally at least 80% of its assets in securities included in the Russell Midcap Index. It lends securities to earn income.

#### Fidelity Small Cap Index (FSMXX)

Fund type: Small-cap blend  
Inception date: 09/08/2011  
Objective: Seeks to provide investment results that correspond to the total return of stocks of small-capitalization United States companies. The fund invests normally at least 80% of its assets in securities included in the Russell 2000 Index. It lends securities to earn income.

#### Shares Total U.S. Stock Market Index (BATSX)

Fund type: Large-cap blend  
Inception date: 06/13/2011  
Objective: Seeks to track the investment results of a broad-based index composed of U.S. equities. The fund seeks to track the investment results of the Russell 2000 Index, which measures the performance of the broad U.S. equity market. The underlying index is a float-adjusted capitalization-weighted index of the largest public issuers domiciled in the United

States and its territories. The fund generally invests at least 90% of its assets, in securities of the underlying index.

#### Vanguard Real Estate Index Admiral (VREIX)

Fund type: Real estate  
Inception date: 11/12/2001  
Objective: Seeks to provide a high level of income and moderate long-term capital appreciation by tracking the performance of the FTSE US Real Estate Market Fund Index 2150. The advisor attempts to track the index by investing all, or substantially all, of its assets either directly or indirectly through a wholly-owned subsidiary, which is itself a registered investment company, in the stocks that make up the index, holding each stock in approximately the same proportion as its weighting in the index.

#### Foreign equity funds

##### American Funds New World (ANWGX)

Fund type: Diversified emerging markets  
Inception date: 05/01/2000  
Objective: Seeks to achieve long-term capital appreciation. The fund invests primarily in common stocks of companies with significant exposure to countries with developing economies and/or markets. Under normal market conditions, the fund invests at least 10% of its assets in equity and debt

securities of issuers primarily based in qualified countries that have developing economies and/or markets.

##### Vanguard Total International Stock Index Admiral (VTIAX)

Fund type: Foreign large blend  
Inception date: 11/29/2010  
Objective: Seeks to track the performance of the FTSE Global All-Cap ex-US Index. The FTSE Global All-Cap ex-US Index, a float-adjusted market-capitalization-weighted index, is designed to measure equity market performance of companies located in developed and emerging markets, including the United States. It invests all, or substantially all, of its assets in the common stocks included in its target index.

Guarantees and benefits are subject to claims-paying ability of the underlying insurance company.

Before investing, carefully read the prospectus(es) or summary prospectus(es) which contain information about investment objectives, risks, charges, expenses, and other information all of which should be carefully considered. Summary prospectus can be obtained from your employer or by calling (800) 864-5632. The investment return and principal value will fluctuate and, when redeemed, the investment may be worth more or less than the original purchase price.

It is possible to lose money by investing in a money market fund. Although the fund seeks to preserve the value of \$1.00 per share, it cannot guarantee it will do so. The fund may impose a fee upon the sale of shares or may temporarily suspend sales of shares if its liquidity falls below required minimums because of market conditions or other factors. An investment in the fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The fund's sponsor has no legal obligation to provide financial support to the fund, and you should not expect that the sponsor will provide such support at any time.

Foreign securities pose additional risks that are not associated with U.S. domestic issues, such as changes in currency rates, and different governmental regulations, economic conditions, and accounting standards. Small and mid-cap investments may have additional risks including greater price volatility. High-yield, high-risk bonds generally involve more credit risk. These securities may also be subject to greater market price fluctuations than long-maturity, higher-rated debt securities.

The use of diversification as part of your investment strategy neither assures nor guarantees better performance and cannot protect against loss in declining markets.

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05/14/12 PlanFund001

# Marketing and Engagement Strategies



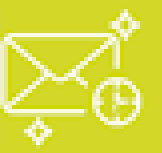
## Welcome and Enrollment

Host in person and virtual sessions for employees to introduce Williams and Company as the new provider



## MPSERS presentations

Spring and Fall MPSERS presentation for employees to discuss pension and health benefits



## Quarterly Check-up

Advisors will be on-site at least quarterly with scheduling throughout the year for virtual or in person meetings



## Employee Appreciation

Cookout in the Spring or at opening day to help with employee engagement



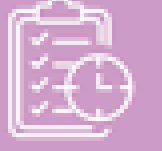
## Email and Video Series

Monthly email newsletters featuring financial tips, pension benefits, upcoming events



## Lifetraxx

Complementary pension analysis for all interested employees



## Monthly Financial Literacy Presentations (15-20 minutes)



### Jan Protecting your well-being

The importance of insurance (life, disability, long-term care), estate planning basics, and preparing for the unexpected.



### Sept Understanding your 403(b) and 457 plans

Overview of how these retirement plans work, contribution limits, tax advantages, and employer contributions (if applicable)



### Feb Maximizing Pension Benefits

Explaining MPSERS eligibility, calculating benefits, understanding survivorship options, and health insurance benefits



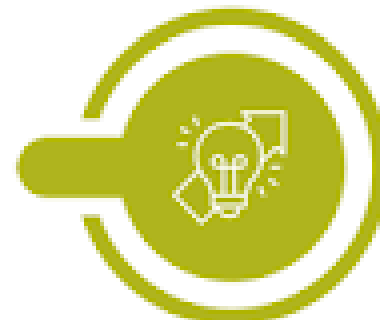
### Oct Retirement Planning

The importance of diversification, retirement income sources, setting realistic retirement goals



### Mar Taxes

Tax Implications of different investment accounts, deductions educators may qualify for, and strategies to minimize tax burden.



### Nov Financial Planning for Educators

Budgeting, saving, and planning for major life events, such as home purchases, college tuition, or unexpected expenses



### Apr Retirement Readiness

Reviewing personal financial goals, assessing savings progress, and making adjustments to stay on track for retirement



### Dec Managing Debt and Credit

Strategies for paying down debt (student loans, credit cards, mortgages), improving credit scores, avoiding common pitfalls



### May Investing Basics for Educators

Understanding risk tolerance, asset allocation, and the impact of inflation on long-term investments



**Is It Working?**

# Saginaw ISD & W&C Focus

- Increase Health Savings Account Contributions
- Increase Defined Contributions for those in MPERS hybrid, DC, or PHF plans
- Increase voluntary contributions to 403(b) and 457(b)

# Saginaw ISD Average Biweekly:

	Jan 2024	Dec 2024	Apr 2025	Jan 2026
<b>Employees</b>	<b>424</b>	<b>424</b>	<b>469</b>	<b>469</b>
<b>Total Contributions</b>	<b>\$85,060</b>	<b>\$83,416</b>	<b>\$91,855</b>	<b>\$94,213</b>
<b>Average Contribution per Employee</b>	<b>\$201</b>	<b>\$182</b>	<b>\$196</b>	<b>\$201</b>

# Longitudinal Comparison

Time Period: CY2024 to CY2025

- Participation: up **5%** (despite turnover)
- Per Pay Savings: up **8%**
  - **\$7,000** per pay across all employees
- Total Annual Savings: up **10%**
  - **\$250,000** more saved by employees
- Improved Financial Literacy
- Reduced Sales Pressure
- Operational Efficiency



# Questions?



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