The Deferred Compensation Plan is the Best Deal in Town!

We strive to be the most cost-effective program around – both within the City and outside.

Because these programs are tax-favored plans, they are the ideal retirement savings vehicles. And, because Deferred Compensation is able to leverage the billions of dollars in the City's pension funds to negotiate lower investment management fees, it offers City employees one of the lowest cost plans anywhere. Every dollar you don't pay in extra investment management fees results in one dollar more in investment returns. The investment program contains competitively bid and professionally managed investment funds, including the Plan's 12 pre-arranged portfolios.

Below is a comparison of fees incurred in the City's Deferred Compensation Plan versus the fees incurred in similar institutional and retail class funds.

Fee Advantages of the Deferred Compensation Plan vs. Median Expenses Ratio

Fund	DCP Expense Ratio[1]	Institutional Expense Ratio[2]	Retail Expense Ratio[2]
Stable Income Fund	0.26%	0.36%[3]	0.60%[3]
Bond Index Fund	0.07%	0.40%	0.72%
Equity Index Fund	0.04%	0.66%	0.97%
Socially Responsible Index Fund	0.11%	0.75%	1.13%
Mid-Cap Index Fund	0.05%	0.85%	1.17%
International Equity Fund	0.29%	0.85%	1.17%
Small-Cap Equity Fund	0.37%	0.90%	1.21%
Static Allocation Fund	0.21%	0.20%	0.59%
2010 Fund	0.20%	0.14%	0.59%
2015 Fund	0.19%	0.11%	0.58%
2020 Fund	0.19%	0.13%	0.45%
2025 Fund	0.18%	0.13%	0.54%
2030 Fund	0.18%	0.13%	0.53%
2035 Fund	0.18%	0.14%	0.53%
2040 Fund	0.18%	0.15%	0.49%
2045 Fund	0.18%	0.16%	0.45%
2050 Fund	0.19%	0.16%	0.48%
2055 Fund	0.19%	0.17%	0.51%
2060 Fund	0.19%	0.18%	0.48%

1 The DCP expense ratios shown include the Plan's annualized asset-based administrative fee of 0.04%.

2 Screening was done using the Morningstar mutual fund database updated through 12/31/2020 for the institutional and retail groups

3 Ultra-short bonds were used as a proxy for stable value funds in this comparison.

Chart Prepared by Milliman USA