

## PAi Engagement Agreement

### **Role of Plan Sponsor and Trustee Collectively:**

- i. Sponsor holds complete and ultimate fiduciary responsibility for the plan and its operation for the benefit of participants. This responsibility includes selection and monitoring of plan product and service vendors, investment product choice and monitoring.
- ii. Sponsor will retain appropriate legal, accounting, investment and tax counsel to work in concert with the service and product vendors to the plan.
- iii. Sponsor will provide and update accurate and timely employment and business information as requested by PAi.
- iv. Sponsor will remit contributions directly to SunAmerica Retirement Markets, Inc. ("SunAmerica") in a timely manner.
- v. Sponsor will operate the plan in accordance with the plan rules and applicable laws and regulations.
- vi. Sponsor will only fund the plan with a variable annuity offered through SunAmerica.
- vii. Sponsor will remit Federal filings supplied by PAi to governing authorities as instructed.
- viii. Sponsor is responsible for retaining and administering beneficiary information for plan participants in compliance with ERISA and ensuring that such information is at all times accurately reflected on the annuity contract(s) applicable to the plan.

### **Role of PAi as Third Party Administrator while plan is using SunAmerica products:**

- i. Oversee and facilitate plan installation including plan document and administrative setup of the SunAmerica variable annuity.
- ii. When the Plan Sponsor follows the provided withdrawal procedure PAi will facilitate the IRS required withholdings and provide the year-end tax reporting.
- iii. Provide monthly retroactive plan monitoring of plan transactions.
- iv. Provide signature ready Federal (i.e. 5500 and 1099) filings for Sponsor to file.
- v. Provide a call center to help with Sponsor questions.
- vi. Provide a website for administrative servicing.

### **Plan Sponsor recognizes:**

- i. PAi's non-fiduciary status.
- ii. PAi's limitation of liability is the amount of fees paid by Sponsor to PAi in the 12 months leading to an act of gross or willful misconduct by PAi.
- iii. PAi's right to use subcontractors to provide services.
- iv. PAi's right to amend this service agreement with proper notice not less than 90 days.
- v. Effective simultaneous to the full surrender of the SunAmerica variable annuity contract(s) funding the plan, PAi's services will also be terminated.

## PAi Fee Details and Additional Service Fees

PAi's fees include everything needed to keep the retirement plan in compliance. We take care of maintaining the qualified plan documents and amending as required in order to stay in lock-step with tax law changes. Our documents are GUST and EGTRRA compliant. The plan allows for multiple owners and spouses to participate; includes a signature ready Form 5500 and allows for loans.

### Fee Schedule:

<b>One Time Plan Setup</b>	
Startup plan	\$50
Takeover plan	\$150
<b>Annual Administration</b>	
Annual Administration	\$240
<b>Employee Level Fees</b>	
Distributions and Withdrawals	\$50/event *
Loans	\$75/loan *
Required Minimum Distribution Fee	\$100/event

\* Because this is a qualified retirement plan governed by pension rules and regulations Plan Sponsors need to utilize PAi for administration assistance before initiating any withdraw transactions at SunAmerica. If transactions are initiated without the assistance of PAi the fees will be doubled for these transactions, and there may be penalties, additional fees and tax consequences for those actions.

The one-time setup fee for a startup plan includes installation and plan document services. In the event of a plan cancellation, the above one-time setup and annual administration fee will be non-refundable.

The one-time setup fee for a takeover plan includes installation, plan document services and conversion of existing plan assets. Additional fees may apply if the plan being converted contains provisions or requirements that fall outside the scope of this offering. Also, additional fees will apply if the conversion of prior plan participant and plan records are not in a standard and readable electronic format and plan assets are not reconciled. Conversion fees do not include assistance in correcting prior plan compliance issues and additional fees will apply if assistance is needed to correct. In the event of a plan cancellation, the above one-time setup and annual administration fee will be non-refundable.

The fees quoted will remain in effect if the organization does not employ any common law individuals. If the organization grows and hires an eligible employee or requires services or plan features beyond the scope of this offering a new plan will need to be established.

In the event of a plan spin-off, the takeover fee would apply. These fees are guaranteed for two years from the date of contractual agreement with PAi.

### **Additional Services:**

PAi believes in full disclosure of fees and these services will be charged as follows:

**Employer Level Fees**

These fees will be charged to the employer when services requested or rendered fall outside the scope of the standard services. PAi will invoice the employer directly for fees for Additional Services. Additional Services include, but are not limited to, the following services:

ACH - notice of change due to client error or non-sufficient funds:	\$50 per occurrence
DOL or IRS Audits:	\$600 base fee plus \$100/hour over 5 hours
Plan Termination:	\$125 base fee
Federal Filing Extension:	\$100
Excessive or Extraordinary Services:	\$75 per hour
Plan Amendment:	\$100 unless otherwise noted
Determination Letter Filing (optional):	
IRS Submission Fee:	\$300
Filing By PAi:	\$75 per hour

**Employee Level Fees:**

Employee Level Fees are charged to the employee and are withheld from the proceeds.

Distributions & Withdrawals:	\$50 per event *
Loans:	\$75 per loan *
Required Minimum Distribution Fee:	\$100
Reconciliation of trades not performed thru PAi:	\$75 per hour

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Both the Employer and Participant Level Fees are subject to change and will be charged at the then current rate.

You have agreed and are acknowledging and consenting to the following:

I have read and consent to all of the agreements and disclosure documents provided to me, and I wish to hire PAi to provide services for an individual 401(k) plan.  
 I am authorizing PAi to provide the financial advisor and broker-dealer of record all plan and participant data needed to perform services related to the plan.  
 I authorize PAi to debit my provided checking account the up-front payment which equals the plan setup fee and the first year's annual administration fee.  
 After the first year, I understand that I will be charged the annual administration fee and it will be deducted from my provided bank account.  
 I understand that qualified retirement plans require certain procedures to be followed for distributions and contributions. I will utilize PAi for assistance to help me determine the process and eligibility for these transactions.  
 I have the authority as the sponsoring Employer to establish this plan. With that understanding, I am authorizing the establishment of the plan based on the information provided.

*PAi may also receive service fees not listed above from a depository bank for necessary administrative services that PAi performs incident to the establishment and maintenance of records for the plan. The fees disclosed above do not include any fees the broker-dealer of record may receive from the investment provider or its distributor, transfer agent, or other service provider in return for services related to the plan.*