



IPPFA

PREPARE PROTECT EDUCATE INFORM

ILLINOIS PUBLIC PENSION FUND ASSOCIATIONSM

An Association of Public Pension Funds

2587 Millennium Drive, Unit C Elgin IL 60124

(630) 784-0406 • Fax (630) 784-0416 • www.ippfa.org

PRESIDENT

JAMES M. McNAMEE

July 21, 2021

Mr. Doug A. Krieger
City Manager, City of Naperville, IL
400 S. Eagle Street
Naperville, IL 60540

1ST VICE PRESIDENT

MARK B. POULOS

2ND VICE PRESIDENT

DANIEL HOPKINS

VICE PRESIDENT

SHAWN CURRY

VICE PRESIDENT

DANIEL COLLINS

SECRETARY

ROBERT PODGORNÝ

TREASURER

WILLIAM B. GALGAN

HONORARY VICE PRESIDENT

DAVID W. NAGEL

Dear Mr. Krieger,

In reviewing the transition material and the other communication presented either in person or via numerous virtual meetings, the Illinois Public Pension Fund Association finds the material to be factually inaccurate. IPPFA is under an obligation to inform our participants of the true structure of our fees and correct the misrepresentations.

To provide some background:

The IPPFA/Transamerica provides both a full-service model and a “do it yourself” system. Since the inception of the plan back in 2001, a participant can utilize either system, or both.

The full-service model provides that professionals pick the investments, representatives that provide guidance, a no fee managed account, asset allocation assistance, 4 representatives servicing Naperville, and on-demand service. The IPPFA full-service model is comparable to the new plan with the participant utilizing the Nationwide ProAccount®. When all fees are added together, the new plan is essentially the same price as the existing IPPFA/Transamerica full-service plan that the City of Naperville has been participating in for years.

As stated by the consultant from Mesirow - “the new plan fees are about 78% lower than what you are paying today with IPPFA. Participants who decide to roll their funds back to IPPFA will need to justify the value they are receiving in return for paying 5x the fees.”

DIRECTORS

JAMES MALONEY

MIKE HERBERT

MARY BURRESS

THOMAS O'HALLORAN

BRANDON BLOUGH

GENE WASHINGTON

PAUL SWANLUND



IPPFA

PREPARE PROTECT EDUCATE INFORM

ILLINOIS PUBLIC PENSION FUND ASSOCIATIONSM

An Association of Public Pension Funds

2587 Millennium Drive, Unit C Elgin IL 60124

(630) 784-0406 • Fax (630) 784-0416 • www.ippfa.org

The 78% fees savings is not comparing apples to apples. The 78% savings is comparing the Nationwide target date “do it yourself” to our full-service program.

If a participant is purchasing a target date fund within the IPPFA Wise Choice “do it yourself” portal, that fund has an annual fee that is less than what Nationwide charging. The below is comparing the Schwab Target Date Funds available in the Wise Choice Plan to the BlackRock offering with the City of Naperville’s new plan.

| | | Account Balance |
|--------------------|------------------|-----------------|
| | | \$ 200,000 |
| IPPFA/Transamerica | | Nationwide |
| 0.08% | Target Date Fund | 0.09% |
| \$50 | Annual Fee | \$60 |
| 0.00% | Variable Fee | 0.035% |
| \$210 | Total Annual Fee | \$315 |

The Wise Choice Plan provided by IPPFA/Transamerica is less expensive than the new plan being offered. Intentionally or unintentionally, the facts presented by the consultant are inaccurate. The inability to provide factual information on something as important as employees’ retirement security should give everyone involved pause.

We request that the City of Naperville communicate the correct factual information.

Sincerely,

James McNamee
President