

Plan Year 2024 401(k) Stewardship Report

May, 2025

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VIRGINIA BANKERS
ASSOCIATION
Benefits Corporation

Stewardship Report Contents

The 401(k) Stewardship Report includes information on plan governance, on-going due diligence efforts, and plan utilization from the prior year. This document is a helpful resource to support your fiduciary duties in reviewing information related to your plan. Highlights in the report include:

- **Overview of Program Structure and VBA Benefits Corp. Value Proposition**
- **2025 Participant Survey** – PRM Consulting conducted an independent participant survey to better understand participants' plan experience and identify areas of improvement
- **Participant Education Enhancements** – Enhanced participant resources including a dedicated financial coach, quarterly webinars, and direct email campaign on a variety of financial wellness topics
- **2024 Investment Performance** – Highlighted 2024 investment performance, watch list activity and changes; Appendix includes 4th Quarter 2024 Investment Committee Executive Summary
- **2024 Plan Design, Utilization, and Fee Benchmarking** – Included community bank benchmarking on plan design options, participant utilization, and fees based on similar size plans
- **SECURE Act 2.0 Plan Provisions** – Outlined optional and required SECURE Act plan provisions
- **Voya Plan Review** – Customized utilization report and plan participation data

SBA Program's 401(k) Structure

| Entity | Roles & Responsibilities |
|---------------------------------------|-------------------------------------|
| Employer | Plan Sponsor and Fiduciary |
| VBA Benefits Corporation | Co-fiduciary and Trust Sponsor |
| Voya/Voya Institutional Trust Company | Recordkeeper, Trustee and Custodian |
| SageView Advisory Group | 3(38) Investment Manager Fiduciary |

SBA plan structure is a Master Trust plan:

- Master Trust allows aggregation of transactions of participating employers' retirement plans to provide simplified plan/trust accounting and governance
- Each member company is considered a single plan; benefit and contribution levels decided at individual plan
- One employer cannot be held liable for any grievances filed against another plan in the program because each plan is considered a single plan within the Master Trust.

SBA Program's 401(k) Value Proposition

Investments

- *Economies of scale*
- *Lower share classes*
- *Collective investment trusts (CITs)*



Fees

- *Transparent / Direct*
- *Independently benchmarked*
- *Commensurate with services*



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Fiduciary

- *Dedicated Financial Coach*
- *Investment Policy Statement*
- *Peer Banker Oversight via Benefits Board & Investment Committee*



Administration

- *Plan design consulting*
- *Vendor management*
- *M&A Support*
- *Annual Stewardship Report*



2025 Participant Survey

As an ongoing measure to provide best in class benefits, the SBA Retirement plan engaged our retirement consultant, PRM Consulting Group to oversee the delivery and analysis of the **401(k) Plan Participant Satisfaction survey**. Please see the Appendix for the full analysis of the report.

8.5%

Response rate (423
responses out of 5,000
participants)

80%

of survey respondents
are very satisfied or
satisfied with overall
experience with plan

Identified Areas to Examine:

Participant Education Opportunity

- *How to navigate Voya website/app*
- *Understanding investment options*
- *Long term savings strategies*
- *Timing of sessions (after working hours)*

Requests at Plan Sponsor Level

- *Enhanced employer matching*
- *Enhanced loan capabilities*
- *More investment options*



State Bankers Association (SBA) 2025 Retirement Education Calendar

QUARTER

1

HEALTHY HABITS*

AUTOMATION, POWER OF FINANCIAL
PLAN

(2/19, 3/19 - @2PM)

RETIREMENT CONTRIBUTIONS*

PRE-TAX VS ROTH, SUPER CATCH
UP

(2/27 @10AM)

SPENDING & SAVING

(3/27 @10AM)

QUARTER

2

INVESTMENT INSIGHTS*

INVESTING 101, MARKET MOVEMENTS

(4/16, 5/21, 6/25 - @2PM)

5 KEY RISKS IN RETIREMENT*

(4/10 @10AM)

INVESTING 201

REBALANCING PORTFOLIO

(6/26 @10AM)

QUARTER

3

RETIREMENT READINESS*

MAKING MONEY LAST IN RETIREMENT

(7/23, 8/20, 9/24 - @2PM)

DEEP DIVE INTO SOCIAL SECURITY*

(7/15 @10AM)

RETIREMENT PLANNING FOR WOMEN

(9/24 @10AM)

QUARTER

4

FINANCIAL FITNESS*

529 PLANS, PLANNING AND PAYING FOR COLLEGE

(10/22, 11/12, 12/10 - @2PM)

BENEFITS OF 401(K)*

(10/28 @10AM)

SEASONAL FINANCIAL TIPS

(11/12 @10AM)

Webinar by Voya
Webinar by SageView
*Recorded

SageView Participant Help Center

A complimentary, direct help line for retirement plan participants managed by Patrick Abelon, a Chartered Retirement Specialist (CRPS®), and Certified Retirement Counselor (CRC®) professional available to offer personal, targeted fiduciary advice on:



Investment
Allocation

Retirement
Planning

Medicare
Social Security

Rollover
assistance



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Patrick is a Retirement Plan Consultant, based out of the Virginia office, providing institutional clients with in-depth analysis of retirement plan investment options and other relevant information to assist them in their fiduciary investment decisions on behalf of plan participants.

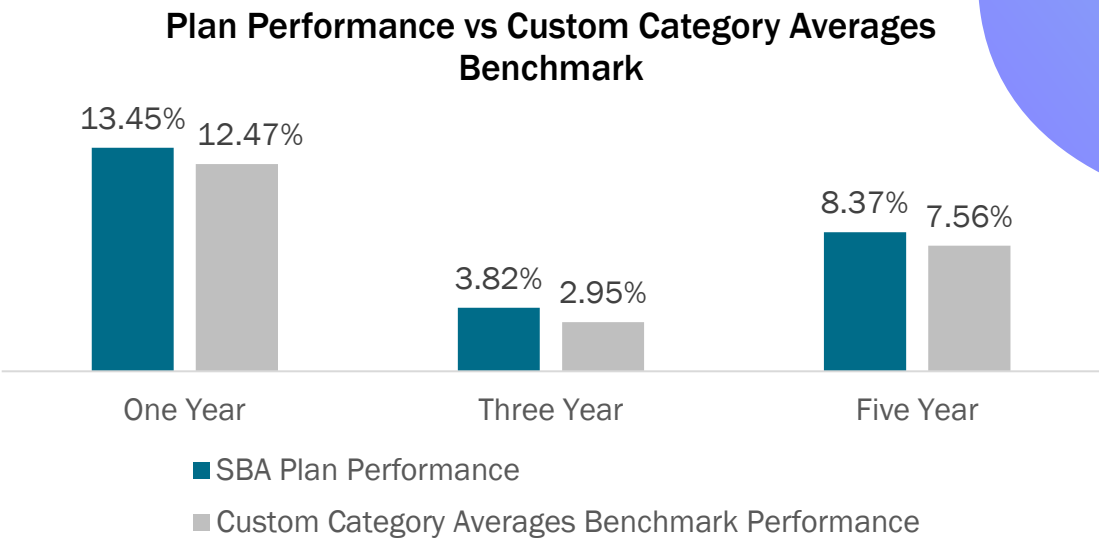
Scan the QR code to schedule a one-on-one appointment with Patrick



SBA 401(k) Plan 2024 Consolidated Investment Report

SageView Investment Scoring

| | SBA 401(k) Master Trust |
|--|-----------------------------|
| Average SageView Score for all Investments | 21 st Percentile |
| Average SageView Score for QDIA | 22 nd Percentile |
| Weighted Average Expense Ratio | 0.15% |



2024 Watch List

| Fund Name | Watch List Inception | Reason | SageView Score |
|-------------------------------------|----------------------|--------------|-----------------------------|
| Voya Intermediate Bond R6 | 3/31/2024 | Qualitative | 16 th Percentile |
| JPMorgan Emerging Markets Equity R6 | 3/31/2024 | Quantitative | 62 nd Percentile |
| MFS Growth Equity Fund CL S | 9/30/2023 | Quantitative | 58 th Percentile |

Investment Share Class Changes

- Replacement of Wasatch Core Growth Instl with the A CIT share class class of the same investment → this change saved participants 0.21% (Change effective April 2025)
- Replacement of JPMorgan Emerging Markets Equity R6 with DFA Emerging Markets Core Equity I for quantitative reasons (Change effective April 2025)

| | Bank | SBA Members | PLANSponsor Survey (Banking) |
|---|---|--|---|
| Maximum Employer Match Available | 4% | 4.6% (Several SBA plans also either make additional Profit Sharing or Non-Elective Contributions) | <3% match - 2% 3% match - 6% 4% match - 22% 5% match - 4% 6% match - 4% >6% match - 4% Other amount – 58% (not tie to %) |
| Immediate Eligibility | Immediate entry | 15.0% | 38.7% |
| Immediate Vesting | 3-year cliff vesting | 47.5% | 29.5% |
| Allow Roth Contributions | Offer | 92.5% | 90.3% |
| Allow In-Plan Roth Conversions | Does not offer | 45.0% | 41.0% |
| Offer Auto Enrollment | Does not offer | 72.5% | 54.8% |
| Offer Auto Escalation | Does not offer | 47.5% | 30.6% |
| In-Service Distribution Option (Age 59.5) | Does not offer | 60.0% | 86.0% |
| Offer “Safe Harbor” Plan | Does not offer | 70.0% | 50.8% |
| Allow Loans | Offer | 82.5% | 87.1% |
| Forfeiture Options | Administrative expenses, reduce contributions, additional contributions | | |

2024 Plan Design Benchmarking

40 Participating SBA Members

63 Banking-Commercial/Retail employers in 2025 PLANSponsor Survey of Defined Contribution Plans

| | Bank | SBA Members | PLANSponsor Survey (Banking) |
|---------------------------------------|----------|-------------|------------------------------|
| Average Employee Deferral | 5.2% | 6.9% | 7.0% |
| Average Account Balance | \$88,712 | \$106,775 | \$128,127 |
| Participation Rate | 66.0% | 91.0% | 82.4% |
| Average Replacement Income | 75.0% | 78.5% | Not available |
| % of Participants Saving to Max Match | 70.0% | 72.5% | 53.6% |

2024 Plan Utilization Benchmarking

40 Participating SBA Members

63 Banking-Commercial/Retail employers in 2025 PLANSponsor Survey of Defined Contribution Plans

| Asset Size | # of Participants | Voya Expense | SageView/VBA Expense | Weighted Investment Expense* | Total Expense | Industry Average Expense |
|------------|-------------------|--------------|----------------------|------------------------------|---------------|--------------------------|
| \$9.1 M | 47 | 0.13% | 0.24% | 0.15% | 0.53% | 1.00% |

*The weighted investment expense is based on the average expense ratio for the full SBA master trust; member’s expense can fluctuate based on participants’ selected investment options.

401(k) Plan Fee Comparison

401(k) Average Book Benchmarking Data (includes recordkeeping, trustee, investment management, mutual fund expenses)

\$5 Million in assets

50 Participants

\$100k Average participant balance

SECURE ACT 2.0 Plan Provisions

| SECURE Act Provision | Bank offers (Optional/Required) | # of SBA plans that Adopted |
|--|---------------------------------|-----------------------------|
| Qualified Disaster Distribution/Loans - Permits participant to request a distribution (up to \$22,000) or loan (up to \$100,000) | Yes/No Optional | 16 |
| Withdrawals for Domestic Abuse Cases - Permits participant to request a distribution (the lesser of up to \$10,000 or 50% of participant’s account) if they have experienced domestic abuse | Yes/No Optional | 16 |
| Withdrawals for Emergency Personal Expenses - Permits participant to withdraw up to \$1,000 per year to meet unforeseeable emergency expenses | Yes/No Optional | 15 |
| Self-Certification of Hardship Withdrawals - Permits participant to self-certify that a hardship withdrawal is based upon an immediate and heavy financial need, and that the amount is no more than necessary | Yes/No Optional | 16 |
| Employer Matching Contributions Will Apply to Qualified Student Loan Payment for Participants - Permits plan sponsor to make matching employer contributions to a participant’s plan account based on the participant’s qualified student loan repayments | Yes/No Optional | 0 |
| Qualified Birth and Adoption Distributions - Permits participant to withdraw up to \$5,000 for a birth or adoption | Yes/No Optional | 15 |
| Treatment of Employer Match as Roth- Permits participant to change Employer Match to Roth | Yes/No Optional | 0 |
| Super Catch Up - Permits participants ages 60 - 63 to have higher catch up amounts | Yes/No Optional | All plans |
| Mandatory Distribution Limit (\$7,000) – Increased force out limit to 7,000 | Yes/No Optional | 38 |
| Roth Treatment for Catch Up – (Effective 1/1/26) – Highly compensated employees required to have catchup contributions in Roth form | Required | All plans |

Appendix

- [Fiduciary Duties & Responsibilities](#) – Listing of responsibilities for each party involved with administering plan
- [Retirement Plan Compliance Calendar](#) – Listing of compliance items, frequency and entity responsible
- [Cost of Living Adjustments](#) – Key cost of living adjustments affecting dollar limitations to retirement plans
- [Independent Participant Survey Results](#) – PRM analysis on SBA participant survey
- [4th Quarter 2024 Investment Review](#) – SageView investment performance analysis for Investment Committee and Benefits Board



Fiduciary Duties & Responsibilities

| Duties | Responsible Party |
|--|------------------------|
| Identify ERISA plan fiduciaries. | VBA |
| Appoint retirement committee to address plan administrative and investment decisions. | VBA |
| Establish and document committee members, their roles and frequency of meetings. | VBA |
| Conduct meetings and document minutes regarding concerns and decisions related to plan administration and investments. Meet quarterly. | VBA/SageView |
| Adopt an investment policy statement, follow IPS and make decisions according to its framework. Monitor investments between meetings and document accordingly. | VBA/SageView |
| If plan is intended to be 404(c) compliant, review annually to confirm it does. | VBA |
| Confirm trust agreements and plan documents properly reflect fiduciary roles of the plan committee and sponsor. | VBA |
| Review plan amendments. | VBA |
| Review services, credentials and fee arrangements for all vendors of the plan. | VBA |
| Deposit employee contributions timely and in accordance with DOL standard. | Participating Employer |
| Confirm ERISA Fidelity Bond is up to date and meets current needs of the plan. | Participating Employer |

Definition of Fiduciary:

1. Exercise discretionary authority or control over plan's management
2. Exercise authority or control over management or disposition of plan's assets
3. Render investment advice for fee or other compensation with respect to plan funds or property
4. Has discretionary authority or responsibility in plan's administration

Fiduciary's duty is to act solely in interest of plan's participants and beneficiaries and for exclusive purpose of providing benefits for them; subject to "prudent person" standard of care