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Building employee appreciation and awareness

Defined benefit pension plans are often less visible to employees and are therefore less understood than other retirement programs, such as 401(k) plans. This can represent a missed opportunity for employers. Schwab will provide quarterly benefit statements to put plan information in front of employees regularly. Employees will also have access to a website as well as a Voice Response System (VRS) that will provide useful information on their benefits and offer the option to speak directly with a Participant Service Representative. Using web tools, employees will be able to plug in different “what if” scenarios based on expected salary increases and different retirement ages to help them project future benefits.

“The more people know, the better they can plan for retirement. When an employer can effectively convey this information, it builds employee appreciation of workplace benefits, which can help promote both retention and recruiting,” said Brigeman.

Bundled and semi-bundled solutions

Schwab plans to offer both bundled and semi-bundled defined benefit services to meet the varying needs of plan sponsors. “Clients can choose our comprehensive bundled solution for their defined benefit plan, or they may ask us to help in specific areas of the plan that they want to improve while they retain other services or systems that are working well,” said Brigeman.

In addition to access to investment management resources and sponsor/participant services, which include recordkeeping and related administrative services, Schwab also provides actuarial consulting and trust/custody services.

Integration with defined contribution plans

Plan sponsors may choose to integrate Schwab’s defined benefit services and defined contribution services. Benefits may include cost and time efficiencies, streamlined plan administration and an integrated service structure with a single point of contact for both plans.

Employees will also benefit from multiple sources of plan information that will show their defined benefit and defined contribution benefits side-by-side, helping to increase understanding and appreciation of their retirement benefits.

“More and more plan sponsors are seeking a one-stop solution for their retirement plans because of the win-win opportunities service integration offers to them and their plan participants,” Brigeman added.

About Charles Schwab Corporate Services

Charles Schwab Corporate Services provides individual investing support services through employers, including employee retirement and stock option plans, IRA rollover accounts and individual/personal accounts. Charles Schwab Corporate Services also offers retirement plan services including recordkeeping, actuarial, and related administrative services through Schwab Retirement Plan Services, Inc., trustee and custodial services through The Charles Schwab Trust Company, proprietary retirement plan recordkeeping systems through Schwab Retirement Technologies[®], and the Schwab Personal Choice Retirement Account[®] (PCRA) (self-directed brokerage account through Charles Schwab & Co., Inc.). These entities are affiliates of each other. Total client assets in employer-sponsored retirement plans at Schwab equaled \$88 billion at the end of 2002.

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The Charles Schwab Corporation (NYSE:SCH), through Charles Schwab & Co., Inc. (Member SIPC/NYSE), U.S. Trust Corporation, CyberTrader, Inc. (Member SIPC/NASD) and its other operating subsidiaries, is one of the nation's largest financial services firms serving 8 million active accounts with \$765 billion in client assets at the end of 2002.

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* It is anticipated that the roll-out of these enhanced services will commence in mid-2003. Additional services not included may also be available, subject to client and marketplace demands. This information is provided for informational purposes and may be subject to change.

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