

# News Release



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## Retirement Plan Savings Rates Double for 401(k) Participants Using Schwab Managed Account and Advice Services

**San Francisco, January 24, 2005** – 401(k) plan participants save more when they receive personalized advice, based on the first-year results of Schwab Corporate Services' managed account and advice offerings. Individuals using the services more than doubled their average savings rate to 9.57 percent of eligible income in 2004. In addition, 84 percent of these same individuals enrolled in managed accounts that provide ongoing account monitoring and automatic rebalancing.

Schwab Corporate Services, a leading provider of workplace financial benefits, offers personalized managed account and advice services at no extra cost to 401(k) plans serviced by Schwab Retirement Plan Services, Inc. (SRPS).\*

Participants have access to personalized advice either online, by phone or in person, including recommendations specific to the core investment fund choices available in their retirement plan and specific recommended savings rates. Participants also have the option to elect managed accounts with annual rebalancing. The advice, including the managed account feature, is provided by a third party, GuidedChoice™, Inc., an innovator in the development and delivery of investment advice.\*\*

"We know that when it comes to retirement planning, many individuals aren't sure how much they need to save or how to invest. We offer those answers and the opportunity to discuss them with an investment professional. Clearly, many of our participants prefer this type of one-on-one relationship. We're gratified that our approach is encouraging them to take action," said Trish Cox, chief operating officer for SRPS.

Cox noted that previously, the average savings rate for these participants was 4.57 percent, well below the overall average for Schwab's 401(k) participants (7.15 percent) and the national average (7.0 percent).\*\*\*

"Our goal has always been to help plan sponsors get their employees to and through retirement. By making the commitment to offer personalized advice without charging additional fees, we broke new ground and removed key barriers to effective retirement investing," said Jim McCool, president of Schwab Corporate Services. "Our first-year results only deepen our conviction that advice services should be standard in every 401(k) plan."

## About Schwab Corporate Services

Schwab Corporate Services (SCS) provides services to retirement plan sponsors and participants through Schwab Retirement Plan Services, Inc. (SRPS), The Charles Schwab Trust Company (CSTC), and Charles Schwab & Co., Inc. SCS also provides equity compensation plan services and other financial and retirement services to corporations and executives. SRPS provides recordkeeping and related services with respect to retirement plans. CSTC, a California state-chartered trust company, provides trust and custody services to retirement plan sponsors. Charles Schwab & Co., Inc. (Member SIPC) is a registered broker/dealer, offering the Schwab Personal Choice Retirement Account® (PCRA), as well as other brokerage and custody services to its customers. These entities are affiliates of each other and are wholly owned subsidiaries of The Charles Schwab Corporation. Total client assets in employer-sponsored retirement plans at Schwab equaled \$131 billion at the end of December 2004. The Charles Schwab Corporation (NYSE / Nasdaq: SCH), through Charles Schwab & Co., Inc. (member SIPC), U.S. Trust Corporation (member FDIC), CyberTrader®, Inc. (member SIPC) and its other operating subsidiaries, is one of the nation's largest financial services firms.

\*“At no extra cost” means that there is no cost for service outside the fees paid to SRPS and Charles Schwab & Co., Inc. (CS&Co.) for recordkeeping and related services, including trustee and custodial fees paid to The Charles Schwab Trust Company.

\*\*The GuidedChoice™ service and the investment advice are formulated and provided by GuidedChoice Asset Management, Inc. (GuidedChoice). GuidedChoice is not affiliated with, nor is it an employee or agent of, CS&Co. or SRPS. The GuidedChoice service is available to participants enrolled in plans that use the recordkeeping and related services of SRPS. Availability subject to regulatory requirements. Plan sponsors must elect to make the GuidedChoice service available. Availability may be limited due to plan type and plan provisions. Participant access to the GuidedChoice service is facilitated through SRPS’s affiliate, CS&Co. Neither CS&Co. nor SRPS supervises, makes recommendations with respect to, or takes responsibility for monitoring the advice provided to participants by GuidedChoice. These entities are affiliates of each other and are wholly owned subsidiaries of The Charles Schwab Corporation.

\*\*\*National Defined Contribution Council; *Defined Contribution Market Insights 2003*.

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