

Raycom Media, Inc. A 401K Plan in Transition

Southern Employee Benefits Conference

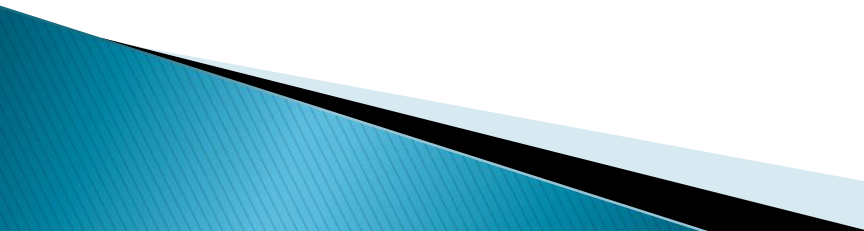
April 17, 2012

Raycom Media, Inc

One of the nation's largest TV station group owners



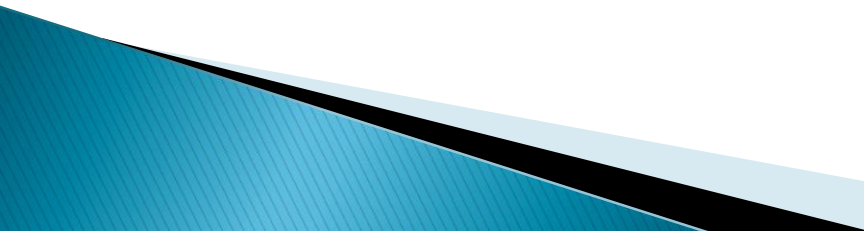
Raycom Then

- Only 16 years old
 - First acquisition – Ellis Communications (Atlanta)
 - 10 TV stations & Raycom Sports
 - Funded by Retirement Systems of Alabama (RSA)
 - \$2.5 B invested (semi-monopoly, 38% margins, recession proof)
 - Bought/sold 80+ TV stations since 1996
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RAYCOM NOW

- 47 TV stations, 18 states, Raycom Sports (ACC)
- Private, employee-owned (RSA has warrants to 85% of stock)
- 3,200 FT's, 400 PT's, 450 union, 76 ee's/station
- Footprint = Richmond to Honolulu
- GA = Savannah, Columbus, Albany, Augusta
- Largest = Charlotte, Cleveland, Cincinnati
- HQ= Montgomery, AL

401K Plan Features

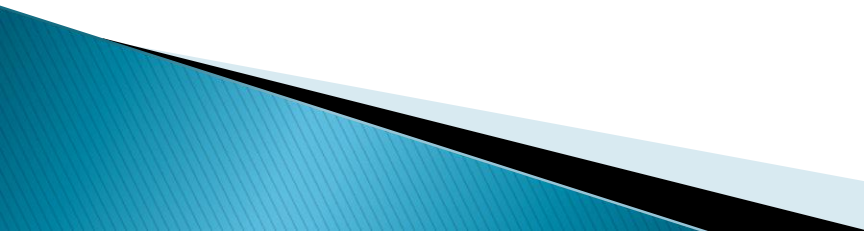
- Only DC benefits from the start
 - 404(c) compliant, not safe harbor (.33 / 6%)
 - 17 funds (2 index, 15 active, 0 TDF's)
 - Auto-enrollment (2004), auto-escalate (2006), Roth, Loans, Etc.
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Health & Welfare Benefits

Medical/Dental plan

- One PPO plan, BCBS nationwide, dental bundled
- Union, non-union = same plans & premiums
- Significant plan design cost-shifting in 06-08
- No employee or co. premium/funding increase since 2009
- \$40 co-pay, 100% inpatient (after \$400 deductible), \$15/\$40/\$70 RX co-pay

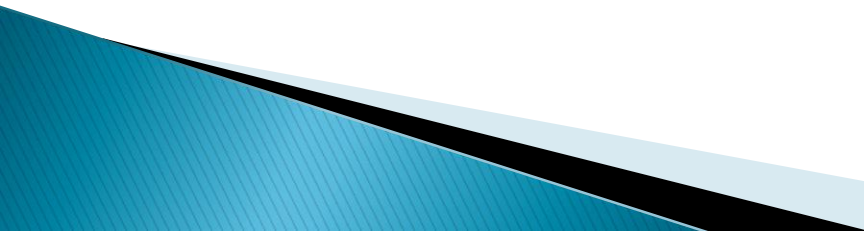
Other Benefits

- Vision Plan – Traditional VSP, 100% ee pay
 - Life – basic free, supplemental 100% ee pay
 - FSA – \$5,000 max, HC/DC
 - STD – Self-insured, self-administered, 100% funded
 - LTD – Fully insured, 100% co. funded
 - Retiree Medical – 116 eligibles
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Investment Funds Transition



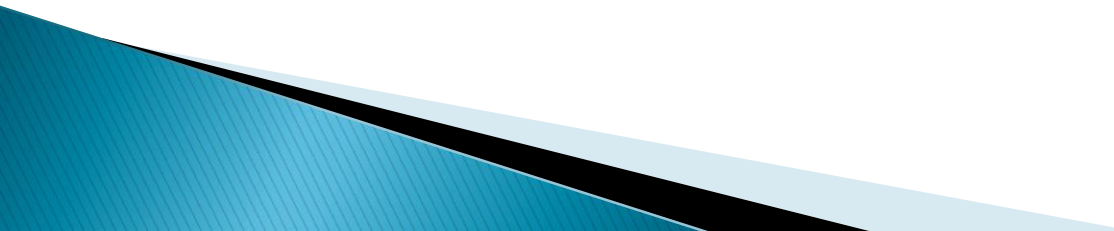
The Past

- Principal orig recordkeeper with only their funds (10)
 - 2000 – Switched to AMEX & more open fund architecture (12)
 - Recordkeeper morphed to Ameriprise, Wachovia, Wells Fargo
 - 12B-1 and sub TA fees sufficient for recordkeeper and fund expenses
 - More asset classes needed, funds increased to 17
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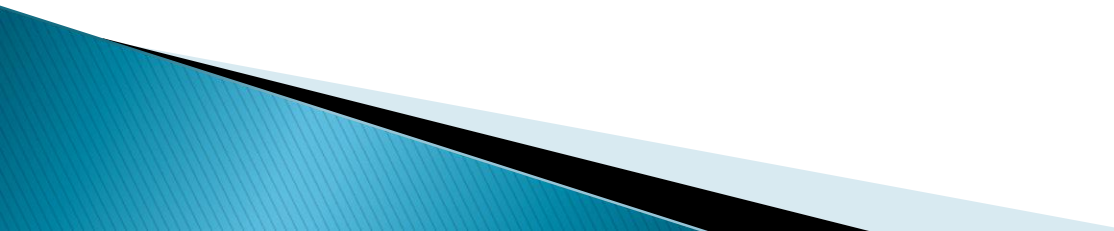
The Present

- QDIA is lifestyle fund (Manning & Napier Ext Term, 50/50)
 - No TDF's
 - Cheaper index funds (2) outperforming actively managed funds (15)
 - Fee transparency here (2 vs. 15?)
 - Educated workforce, not educated investors (40% in stable value/bond/QDIA funds)
 - RPC benchmark indices differ from recordkeeper/statement indices
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The Future

- Employees understand index funds and TDF's – active funds, not so much.
 - Swapping for index and TDF funds will yield insufficient fund and admin fees.
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The Plan

- Stop funding via fund fees
 - Implement 100% fixed fee, or combo of fixed fee and acct balance %.
 - Implement 3 “tiers” or “groups” of funds – Active, Index, TDF (5–6)
 - Develop adequate education, tools, webinars (funds & fees)
 - Mapping challenges
 - 01/01/2013 target
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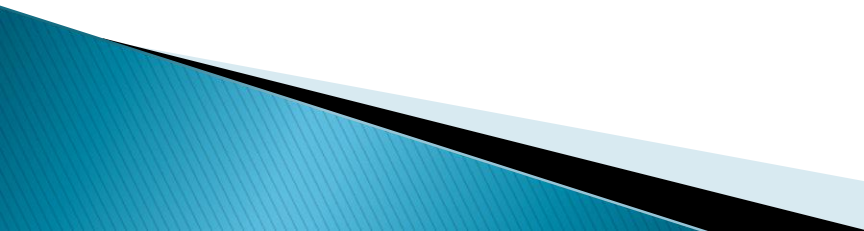
Optimize Participation



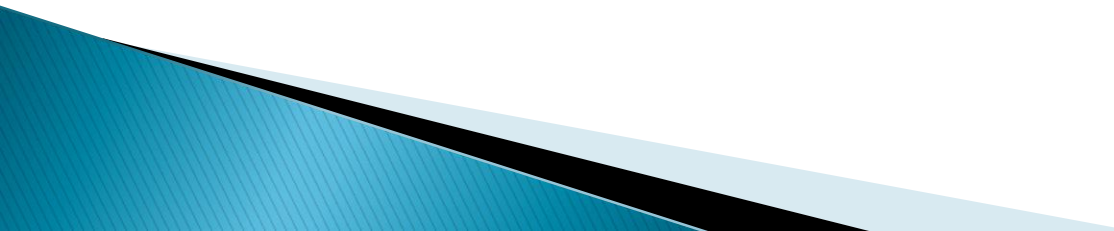
The Past

- 50%, no match, 10 funds
- Educated workforce understood tax benefits, plus Co. nagging
- 1999: Implemented match (.33 / 6%) – participation from 50% to 65%
- 2004: Implemented auto-enroll (3%) – participation from 65% to 81%
- 2006: Implemented auto-increase (1 / 2 %) – NHCE from 3.5% to 4 %
- 12/31/08 had 620 non-par eligibles
- 2009: Cancelled match and markets tank. Participation from 81% to 68%
- 12/31/09 had 1,118 non-par eligible (80% increase in 12 mos.)

The Present

- 2010: Reinstated match. Participation from 68–76%
 - 2010: Reinstated auto-increase, NHCE from 3.80– 3.88%
 - 12/31/11 had 948 non-par eligibles still not participating (vs 620 in 2008)
 - Inertia, market fear, etc.
 - How to re-enroll the 328 non-pars?
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The Future

- More education? Targeted emails, home USPS mailings, calculators, etc
 - Info fatigue/overload, personal fit tune-out, etc.
 - Increase match? Yes, but no.
 - Implement re-enrollment feature? Yes.
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01 / 01 / 13 PROVISION FEATURES

- Annual 1 / 1 re-enrollment of all non-par eligibles
 - Includes all – with/without balances
 - Opt-out opportunity (2 phase inc. reminder)
 - Re-enroll at 3% deferral
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