



MEMORANDUM

TO: Supplemental Retirement Plans Board

FROM: Kevin SigRist

DATE: August 10, 2025

RE: CEM Benchmarking Service

I. Background

At its May 22, 2025 meeting, the SRP Board took up a staff recommendation to approve a six year contract with CEM Benchmarking to provide biennial benchmarking reports through 2029 (i.e., in 2025, 2027 and 2029). The cost of the report would start at \$35,000 for the 2025 study and rise by \$2,000 for each subsequent report. The SRP Board approved the staff recommendation, but requested further detail regarding the availability and cost of comparable defined contribution plan benchmarking services.

II. CEM Defined Contribution (“DC”) Benchmarking Service

The CEM DC Database was initiated in 1997 and contains about 130 U.S. defined contribution plan sponsors, covering about \$1.4 trillion in assets and 10 million participants. Data coverage is:

	Total Plan	By Asset Class	By Option
Asset Allocation	✓	✓	✓
Investment style (active, passive)	✓	✓	✓
Returns	✓	✓	✓
Benchmarks	✓	✓	✓
Net Value Added	✓	✓	✓
Investment fees	✓	✓	✓
Managed Account fees	✓	<i>(Not applicable at this level)</i>	
Administrative expenses	✓		
Consulting & participant advice	✓		
Plan sponsor oversight cost	✓		



Using these data items, the CEM Benchmarking report compares the plan to a custom peer group (i.e., based on size of assets and type of plan) and the U.S. universe addressing:

III. Other Benchmarking Services

There are multiple off-the-shelf consultant, recordkeeper, investment manager, industry association, and industry magazine surveys of U.S. defined contribution trends (see Appendix for links to sample reports). Generally, these surveys provide useful high-level information on many of the items covered in the CEM DC database. These surveys lack one or more of the following:

1. Customized peer group (i.e., typically only average outcomes for plans in excess of \$1B or \$5B in plan assets are displayed)
2. Detailed attribution of plan and option cost drivers relative to peers analyzing:
 - a. Differences in fees for similar-style investment options
 - b. Participants' allocation in indexed vs active options
 - c. Differences in fees paid for administrative services
 - d. Assets in mutual fund windows
3. Value-add performance of plan options (i.e., compared to plan approved performance benchmarks) versus the value-add of the same types of options for the U.S. universe (i.e., compared to each plan's approved benchmarks)
4. Risk of Target Date Funds ("TDF") compared to TDF options for the U.S. universe (i.e., by date)
5. Financial advice, education, communication, and managed accounts offerings compared to peers and the U.S. universe
6. Detailed information on fiduciary structure, process and documentation versus peers and U.S. universe
7. Independent research findings using a consistent data set compiled from 1997-2024, with the additional benefit that CEM has a data integrity effort to ensure each submission under their subscription is reviewed independently and challenged (as needed)

Finally, as part of the fee benchmarking exercise for the Callan consultant contract renewal review, we asked a panel of five consultants to price a service comparable to CEM Benchmarking. All five consultants responded to the request. Quotes are as follows:

- \$25,000 - \$50,000
- \$75,000
- \$45,000
- Would wrap into a broader consulting service retainer
- \$40,000 - \$60,000

One respondent noted that while a benchmarking report could be produced within the stated price range, their standard deliverable relies on proprietary survey inputs and publicly available data, with a peer group largely composed of existing clients. Investment option-level performance and fee benchmarking is not included by default and would require added customization.



INVESTMENT MANAGEMENT

Their approach typically benchmarks investment performance against a broader institutional universe rather than a DC-specific peer group, limiting peer-relative insights.

As such, while directionally informative, the offering lacks the granularity, customization, and audit-ready attribution analysis provided by CEM.

We have not independently verified these consultants' ability to provide the full information and analytics received from CEM, but there is no clear and compelling cost advantage.

We would be happy to answer any follow up questions.



INVESTMENT MANAGEMENT

Appendix: Links to a Sample of U.S. Defined Contribution Plan Industry Trend Surveys

[NEPC's 2024 Defined Contribution Plan Trends and Fee Survey Results](#)

<https://multimanagerfunds.callan.com/wp-content/uploads/2023/08/2023-Callan-DC-Trends-Survey.pdf>

[Fidelity Building Financial Futures Quarterly Presentation](#)

<https://am.jpmorgan.com/content/dam/jpm-am-aem/americas/us/en/insights/retirement-insights/plan-sponsor-survey-ri-psr.pdf>

[2024 PLANSponsor IR Business-Services-Staffing.pdf](#)