

**HACM
Plan Comparison**

	WI Retirement System	Proposed 401K Plan
Type of Plan	Defined Benefit [Pension] Must pay past service cost - employer contribution subject to actuarial study	Defined Contribution
Legacy cost- liability		None currently at 4% can go up to max 6% subject to safe harbor
Current Cost - Employer Match	6.90%	
Current Employee Contribution	6.90%	Employee designated- up to \$26,500 currently
Post Employment Benefits	Health and Insurance	None
Vesting Requirements	Subject to vesting requirements	None
Plan Administration Cost	None	\$14,500 annually

Mangement Recommendation:

Given our business model and HACM's inability to generate sustained revenue, we recommend im for all HACM and its subsidiaries/innstrumentality employees hired after 12/31/2023. HACM is r Known savings total for the next 10 years is estimated at \$680,365. This can increase with the ur

Assumption on Covered Payroll:

CFO hired in 2024
COO hired in 2024
10% employee turn from current head count
-current number of employees 121
-average Salary \$ 62,500.00
Annual increase of 3%
All current employees of HACM retire after 10 years

WRS Past Service cost unknown at this time. This is largely driven by Fund/Investment performance

Contribution Rates /401k Match calculation - attached;

See WRS Benefits Handbook for more details.

See 401K Plan Admin cost -attached

Implementing 401K Defined Contribution Plan
not a taxing authority and relies its revenue significantly from federal funding.
unknown cost identified under the WI Retirement System

Proforma:	2024	2025
Projected Covered Payroll	\$ 1,056,250.00	\$ 1,866,875.00
HACM's cost under WI Retirement System		
Normal Cost	72,881.25	128,814.38
Past Service Cost- unknown		
Post Employment Benefit Cost - insurance [unknown]		
Total	72,881.25	128,814.38
HACM Cost under 401k Plan		
Employer Match - 4%	42,250.00	74,675.00
Plan Admin cost 1.45%	15,315.63	27,069.69
Total	57,565.63	101,744.69
Difference - savings	15,315.63	27,069.69

	2026	2027	2028	2029	2030
	\$ 2,645,812.50	\$ 3,424,750.00	\$ 4,203,687.50	\$ 4,982,625.00	\$ 5,761,562.50
	182,561.06	236,307.75	290,054.44	343,801.13	397,547.81
	182,561.06	236,307.75	290,054.44	343,801.13	397,547.81
	105,832.50	136,990.00	168,147.50	199,305.00	230,462.50
	38,364.28	49,658.88	60,953.47	72,248.06	83,542.66
	144,196.78	186,648.88	229,100.97	271,553.06	314,005.16
	38,364.28	49,658.88	60,953.47	72,248.06	83,542.66

	2031	2032	2033	
	\$ 6,540,500.00	\$ 8,098,375.00	\$ 8,341,326.25	
	451,294.50	558,787.88	575,551.51	
	451,294.50	558,787.88	575,551.51	
	261,620.00	323,935.00	333,653.05	
	94,837.25	117,426.44	120,949.23	
	356,457.25	441,361.44	454,602.28	
	94,837.25	117,426.44	120,949.23	680,365.57