John Hancock’s
ERISA §408(b)(2) Disclosure

John Hancock Life Insurance Company (U.S.A.) and John Hancock Life Insurance Company or New York are collectively referred to as “John Hancock”.

FOR PLAN SPONSOR USE ONLY. NOT FOR USE WITH PLAN PARTICIPANTS.
Q1 Why am I receiving this information?

For contracts in effect on or after July 1, 2012, the §408(b)(2) regulation requires that plan fiduciaries be provided with additional information about “covered service providers” (eg: John Hancock’s) compensation, fees and services, along with the Investment Comparative Chart (ICC).

This disclosure provides a brief summary of John Hancock's recordkeeping services, details of the estimated cost of our recordkeeping services, investment-related information including the annual operating expense (eg: Expense Ratios), and transaction-related charges (eg: redemption fees) associated with the investment options selected under your Contract. Information regarding John Hancock’s fees and charges was previously provided to you in our contract and proposal paperwork and any additional information contained in this disclosure document is simply a supplement of the original disclosures.

Together with the contract and proposal paperwork, this document is designed to help you determine if the compensation or fees received by John Hancock in connection with your Contract are reasonable.

In addition to these documents, you will also have received:

• John Hancock’s Investment Comparative Chart, which provide information about the investment options available under your Contract that you may require to comply with your disclosure obligations under ERISA Reg. §404a-5
• the John Hancock Stable Value Fund Service Provider Supplemental Disclosure under ERISA §408(b)(2), if your plan has selected the John Hancock Stable Value Fund as an Investment Option for its Contract

Q2 Who would be considered a “Covered Service Provider” for our plan?

A "covered service provider" is a service provider that:

1) Enters into a contract or arrangement with the plan;

2) Reasonably expects to receive $1,000 or more in direct or indirect compensation for the life of the contract or arrangement; and

3) Provides one of the following types of services to the plan:

   a) Services as a fiduciary or a registered investment advisor;
   b) Recordkeeping or brokerage services along with designated investment alternatives; or
   c) The following services where indirect compensation will be received: consulting, accounting, auditing, actuarial, appraisal, legal, valuation services, custodial, insurance, investment advisory, recordkeeping, securities or other investment brokerage services, or TPA services
Q3 What do I do if I don’t receive a disclosure document from all of the covered service providers my plan works with?

Failure to provide the required disclosures will cause the contract or arrangement to be a prohibited transaction. However, the final regulation under ERISA §408(b)(2) provides an exemption to relieve the responsible plan fiduciary from liability for being a party to the prohibited transaction if:

- The responsible plan fiduciary did not know that the covered service provider failed to disclose and reasonably believed that the covered service provider made proper disclosure
- Upon discovering the failure, the responsible plan fiduciary asked the covered service provider, in writing, for the required information
- The responsible plan fiduciary notifies the DOL of the covered service provider failure within 30 days of the earlier of (i) the covered service provider’s refusal to furnish the information; or (ii) the date which is 90 days after the written request was made
- Upon the covered service provider's failure to provide the requested information, the responsible plan fiduciary must act prudently to determine whether to terminate or continue the contract or arrangement. If the requested information relates to future services and is not disclosed promptly after the end of the 90-day period, the responsible plan fiduciary must terminate the relationship with the covered service provider as expeditiously as possible

With respect to a service provider whose compensation is paid through the John Hancock Contract, if you become aware that any such compensation payments should cease, you should notify John Hancock promptly in writing.

Q4 What if I do not want to receive this information?

John Hancock is required by law to provide you with information of our charges and services so that you can determine if our arrangement with your plan is reasonable. Therefore, each plan must have at least one person receiving the disclosures. The recipient should forward the disclosures received to the Plan’s responsible plan fiduciary if he/she does not serve in that capacity.

Q5 How often will I receive this information?

This information is continuously available on the Plan Sponsor website on the “Regulatory Disclosures” page. Updates to the information on this page are made monthly at which time you will receive a message center notification to view the changes. If any information previously disclosed to you changes, including what was previously disclosed in our proposal and contract paperwork, you will be notified within 60 days as required by the regulation. In addition, investment-related changes to the Investment Comparison Chart are provided annually.
Q6  What am I supposed to do with this information?

This document should be reviewed by the Plan’s responsible plan fiduciary to determine if the compensation or fees paid under the Plan are reasonable relative to the services provided. To gain an understanding of plan fees, refer to the DOL’s Understanding Retirement Plan Fees and Expenses publication on their website (http://www.dol.gov/ebsa/publications/undrstndgrtfrmnt.html).

You may also seek the support of your advisor to help you with your review of the disclosures provided.

It is recommended that you retain copies of all disclosure documents you receive and file them along with other legal documents pertaining to your company’s retirement plan.

Q7  What type of changes would result in an updated disclosure?

Generally, anything that was previously disclosed under §408(b)(2) and has since changed. For example: direct & indirect compensation and the estimated cost of recordkeeping.

Q8  How will I receive these change notifications?

Change notifications are provided to you on a monthly basis. Typically this disclosure will be posted to the Plan Sponsor website and you will receive a notification via your Message Center when it is available. If no one from your office is registered on the Plan Sponsor website, the plan Trustee will receive a hard copy of the disclosure via mail.

Q9  Can I opt out of receiving updates or change notifications in regards to this disclosure, including Message Center notifications?

The updated information is required to be provided to the responsible plan fiduciary and they have a responsibility to know the details of the Contract or arrangements involving their plan and to be kept informed about any changes to such detail. Thus, your plan must have at least one registered web user who is set-up to receive these notifications. Before you elect to opt out of receiving change notifications, we encourage you to consult with your legal counsel.

Q10  Who should I contact if I have questions about the fees charged by John Hancock under the Contract?

If you have questions about the fees your Plan is paying, you should contact your client account representative for assistance.
Q11 How do I know if my fees are reasonable?

You should speak to each covered service provider you work with to discuss their fees and the services you are receiving for those fees. You should also obtain help from your legal counsel. To gain an understanding of the plan fees, you can refer to the DOL’s Understanding Retirement Plan Fees and Expenses publication on their website.

(Q12) Does this disclosure document show all of the fees that could be paid under the plan?

This document provides details of specific ongoing fees received by John Hancock for its recordkeeping services. This amount does not include transactional fees or participant-based fees that are charged by third parties (e.g., TPA withdrawal fee), or one-time charges that are paid by the plan sponsor (e.g., PBA set-up charge).

Each covered service provider is responsible for providing their own disclosures on their fees and services (e.g., TPA and Financial Representative).

Q13 Does my TPA or Financial Representative have access to this document?

Yes, they can access this document via the respective John Hancock websites.

Q14 Are my participants going to receive a copy of this fee information?

Your plan’s participants will not receive this information as it is required to be provided only to the plan sponsor/fiduciary.

However, under ERISA Reg. §404a-5 participant disclosure regulations, there is some investment information that should be disclosed by you to all eligible employees and beneficiaries who have the right to direct the investments of their account prior to them directing the investments. You may use the information provided by John Hancock in the Investment Comparative Chart (ICC) to assist you in meeting these regulations. It is your responsibility to ensure the required investment information is provided to all such eligible employees and beneficiaries. If you are not sure what should be disclosed, speak to your TPA or legal counsel for clarification.

Q15 How do you come up with the percentage in Box A, “Charges deducted from participant accounts or billed to plan sponsor”?

The amount in Box A is determined, based on your Basic Asset Charge, Annualized Participant Fees, and Credits if they are applicable. Additionally, where applicable, it includes a conditional recordkeeping fee and the detailed statement fees. It does not
include payments that flow through your Contract for your intermediaries (eg: TPA Service Fee).

Q16 Where can I obtain more information about the percentage amount in Box A?

Contact your client account representative for more information.

Q17 How much in dollars does the percentage in Box A translate into?

In order to translate the percentage under Box A into a dollar value, you can take the Contract Assets value shown on the Plan Sponsor website (excluding PBA and cash account) and multiply it by the percentage in Box A. Please keep in mind that this amount is only an estimate and a point-in-time value of contract assets and percentage under Box A.

Q18 If the amount in Box A is 0.00 or a negative amount, does that mean that my Plan is free?

No, even if the amount shown in Box A is 0.00 or a negative amount, John Hancock still derives indirect compensation from your Plan’s investment in the Contract as shown in Box B. Your Plan’s Estimated Cost of Recordkeeping is the total of Box A and B on your disclosure document.

Q19 What would cause the amount in Box A to be negative?

If a negative amount is displayed in Box A, this means that there is a net annualized credit under your Contract that is applied to your participants' accounts. Details about the credit were provided in your proposal paperwork, and the amount was determined based on a variety of plan specifications.

Q20 How are weighted averages calculated?

The weighted averages are based on the total assets invested in the particular Fund. Exact dollar amounts invested can be found on the Plan Sponsor website on the Investment Allocation page.

Q21 How do I change the investment Funds available under my plan?

You can change the investment Funds available to your participants by completing a Contract Investment Administration form found on the Forms page of the Plan Sponsor Website. Once the form has been completed, send it to your client account representative.

Remember, to meet your §404a-5 disclosure obligations to the Plan's participants, you have the responsibility to notify them of these investment Fund changes 30 days prior
to the effective date of the change. For further information in regards to this requirement, speak to your TPA or legal counsel.

Q22 What is the “Revenue from Underlying Fund” in Box B?

The revenue from underlying fund includes the total amount of 12B-1, STA, Shareholder Service and Other Fees, as well as (in the case of underlying funds affiliated with the John Hancock) credits received by John Hancock that are attributable to the investment management fees paid to affiliates of the company by such underlying fund. The revenue and credits, collectively referred to as “Revenue from Underlying Fund”, are paid by the underlying funds to John Hancock for its transfer agency, trading, recordkeeping and distribution services for those underlying funds. John Hancock uses the revenue and credits from these underlying funds to offset the cost of recordkeeping services under your Contract.

Q23 What is the “Revenue from sub-account used towards John Hancock recordkeeping charges” in Box B?

This represents the portion of the sub-account revenue received and retained by John Hancock for the recordkeeping services it provides to your plan.

Sub-account revenue that is received by John Hancock but passed through to third parties for plan services is not included in Box B, but, together with the amount shown in Box B, constitutes the “Total revenue used towards plan cost” which is found directly below Box B.