



# Compensation & benefits - highlights

## Campus hire

At KPMG LLP, our people are our most valued asset. From the very start of your career, we want to help you build a strong foundation for your financial future.

This chart shows an example of the total compensation and firm provided benefits a newly hired Audit, Tax, and Advisory Associate may receive from KPMG.

### Sample KPMG compensation and benefits

Typical components:

<b>Base salary</b>	<b>\$60,000</b>
<b>Potential annual awards</b>	
— Annual variable compensation award	\$1,600
— Encore award	\$300
— CPA bonus	\$5,000
— Early Career Rewards (ECR) program perks*	\$1,200

**Annual value of benefits paid by KPMG:**

— Medical insurance subsidy**	\$4,320
— Health Savings Account (HSA) contribution	\$500
— HSA contribution – healthy rewards	\$200
— Short-term Disability/Life insurance	\$390
— Estimated Social Security/Medicare tax	\$5,210
— 401(k) Plan – firm match	\$1,500
— Estimated annual pension plan credit	\$1,350

**Your total annual rewards \$81,570**

In addition, to the above recurring items, your future compensation includes:

- One-time **\$7,000** pension credit in year 1
- One-time ECR award of **\$8,000**, paid 3 years after promotion to senior associate\*\*\*

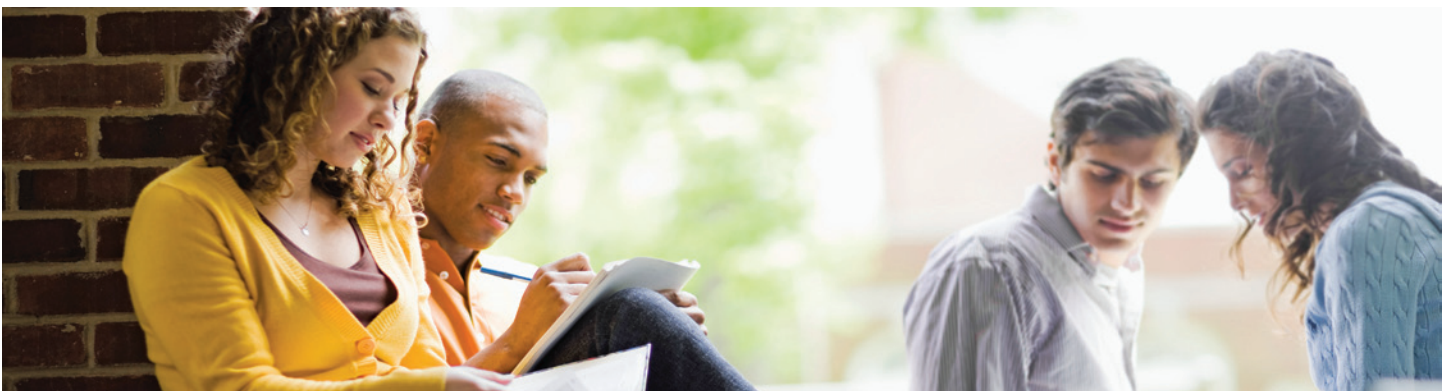
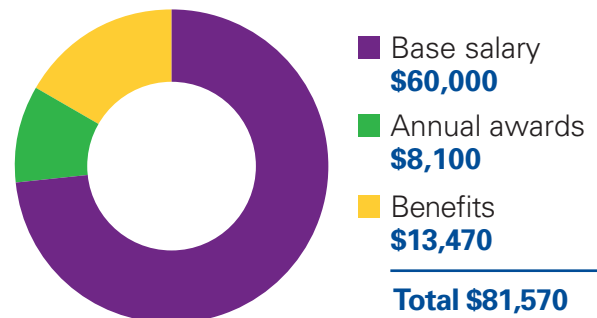
\*Effective in October 2018

\*\*Assumes individual only coverage in KPMG's Med 1600 plan

\*\*\*Paid in May following 3 year period

### KPMG and you

- Competitive salary
- Various annual award programs
- 50% 401(k) match on eligible contributions
- Subsidized health care coverage
- Up to \$700 annual deposit to your HSA
- Pension Plan
  - Initial \$7,000 credit
  - Annual pension service and interest credits
- Wide array of voluntary benefits



## KPMG and you – Your financial future

At KPMG, we know how important it is to start working toward your financial future, even if you're just beginning your career. Through our pension plan and 401(k) plan, KPMG works with you to build your wealth. This is one of the many reasons why KPMG is a great place to work and a great place to build your career.

Take a look at the chart below. It shows the accumulated pension and savings plan accounts for an employee, age 24, who begins working on January 1 with a \$60,000 base salary. If this employee contributes 5% to the KPMG 401(k) Plan, receives annual salary increases averaging 9% inclusive of promotions over a five year period, and gets a 5% annual investment return, his or her 401(k) plan contributions might grow as shown in the chart. Using this example, if the employee contributes more than 5% of base salary, the total accumulation may be greater than shown in the chart.

Information at hire	
Entry level	Associate
Age	24
Compensation	\$60,000
Value after 5 years	
Firm-funded 401(k) match	\$9,500
Firm-funded Pension	\$16,300
<b>Total firm-funded amount</b>	<b>\$25,800</b>
Your own 401(k) contributions	\$19,500
<b>Total wealth accumulation by year 5</b>	<b>\$45,300</b>

The numbers above are estimates for illustration purposes only and have been rounded up to the nearest hundred. Actual contributions, the amount of any earnings on accounts or future salary increases may vary from year to year, thus producing different results.

## The KPMG 401(k) Plan – working together to help you save for the future

- Just 60 days after you join the firm you are eligible to enroll in the plan and make contributions through payroll deductions.
- KPMG matches **50% of each eligible dollar** you contribute to the plan based on contributions up to 5% of your eligible base pay. This gives you a maximum matching contribution of **2.5% of your eligible base pay** for the calendar year assuming you contribute at least 5% of your base pay and you are employed on December 31.
- You are always 100% vested in your own contributions (as adjusted for investment returns). As for KPMG's matching contributions and any investment return thereon, you become fully vested in these amounts gradually over your first five years of employment with the firm, beginning with 20% vesting after two years of service.

## The KPMG Pension Plan – a foundation for the future

- The KPMG Pension Plan is a cash balance plan funded entirely by KPMG.
- Your participation in this plan is automatic and benefits are provided at no cost to you.
- You become a plan participant after one year of service from your date of hire provided you are credited with at least 1,000 hours during the plan year and are at least age 21.

## Among the benefits you'll receive with the KPMG Pension Plan are:

- **A one-time \$7,000 pension credit\* to your plan account.** At the time you become a plan participant, your plan account is credited with a one-time \$7,000 credit.
- **Annual service credit.** In addition to the one-time credit, each year you are a plan participant KPMG will credit your account with a percentage of your base pay (within IRS limits) provided you are credited with at least 1,000 hours during the plan year. The percentage increases from 2.25% to 11.5% with your age and service with KPMG.
- **Annual interest credit.** Your account also earns interest each year. The interest credit rate is based on the 30-year Treasury rate for the year (but never less than 5%).
- **Fully vested benefits after three years of service with the firm.** If you leave the firm before completing three years of service under the terms of the plan, you forfeit your plan account. But if you complete three years of service, all of your accumulated service credits and interest credits including the \$7,000 pension credit are 100% vested and cannot be forfeited.

## Achieving the right balance – long-term security plus current flexibility

While both our pension and 401(k) plans contribute to your long-term financial security, the 401(k) plan also provides current flexibility. You may access a portion of your 401(k) plan balance while employed through a loan or hardship withdrawal, and may take your vested 401(k) plan balance with you should you leave the firm.

## KPMG Health Savings Account

If you participate in a high deductible medical plan, such as Med 1600 or Med 5000, each year KPMG will contribute up to \$700 to your Health Savings Account (HSA), which is yours to keep, to help you pay for medical expenses you may incur either now or in the future.

\*The one-time \$7,000 pension credit is applicable only to certain individuals hired as Audit, Tax, and Advisory, associates, senior associates, or managers (job family 3, 4, or 6).

All Pension Plan credits and 401(k) contributions are subject to various IRS limitations.

One year of service is credited under the Pension Plan if you work at least 1,000 hours during the plan year May 1 – April 30. If re-employed with KPMG, only non-vested participants who have forfeited their prior balance receive the \$7,000 pension bonus on re-entry to the plan.

The description of the KPMG plan provisions discussed in this summary is for general information purposes only. The plan documents and their provisions are very detailed. If there is any conflict between the description in this summary and the legal plan document, the terms of the plan document take precedence. KPMG reserves the right to amend or terminate any benefit plan at any time in its sole discretion.

Any payroll-related tax estimates are for illustration purposes only and may vary based on individual circumstances. Contributions to a 401(k) plan made on a pre-tax basis are subject to Social Security and Medicare tax, but not to Federal and state income tax (in most states; there are a few exceptions).

KPMG LLP is an affirmative action, equal opportunity employer, M/F/D/V