



# Retirement Plan Investment Changes

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## Why are we making these changes?

After careful consideration and thorough analysis, the University, through its Retirement Savings Committee and with input from the Faculty advisors to that committee, has decided to:

- Add a self-directed brokerage account option in both the TIAA and Fidelity retirement plan platforms.
- The self-directed brokerage account will give access to over 4,500 investment choices from 350 investment families.
- Reduce the core number of investments in both the TIAA and Fidelity retirement plan platforms.
- This will reduce to core menu of investments down to 80 from 270 between the two plans.
- Adding additional investment managers.







# Changing Trends

According to Asset International’s annual PLANSPONSOR 2016 Defined Contribution Survey, the below table shows how many investment options are offered in today’s retirement plans

	All Industries						Education: Higher Ed					
	Overall	Micro (<\$5MM)	Small (\$5-<\$50MM)	Mid (\$50-<\$200MM)	Large (\$200-\$1B)	Mega (>\$1B)	Overall	Micro (<\$5MM)	Small (\$5-<\$50MM)	Mid (\$50-<\$200MM)	Large (\$200-\$1B)	Mega (>\$1B)
Average	21.3	23.5	21.5	19.4	19.4	18.9	33.9	21.7	27.4	31.3	35.4	57.0
Median	18.0	20.0	19.0	18.0	17.0	15.0	22.0	22.5	21.0	20.0	23.5	56.0
<b>How many indexed funds are offered?</b>												
Average	5.3	6.5	5.2	4.4	4.4	5.7	7.9	5.3	4.9	6.0	5.3	22.3
Median	4.0	4.0	3.0	4.0	4.0	4.0	5.0	3.5	4.0	5.0	4.0	15.0



# Changing Trends

Other major Higher Educational Institutions have made changes similar to this in their retirement plans. Those institutions include but aren't limited to:

- Stanford University
- Brown University
- University of San Francisco
- University of Miami
- Tufts
- Seattle University



# 4 Tiers for Investing

## TIER 1:

One-stop approach for investors who are less comfortable making investment decisions  
Vanguard Target Date investments based on anticipated retirement date

## TIER 2:

Core Menu with a flexible array for investors who wish to build their own asset allocation strategy  
**Best-in-class core investment options across the risk/return spectrum**

## TIER 3:

Fixed option/(s) for investors who are seeking a more predictable return  
**Money market, stable value and separate account annuity options**

## TIER 4:

Specialized choices for more experienced, knowledgeable, and confident investors  
Self-directed brokerage with more than 4,500 funds from 350 fund families



## What do I need to do?

No action is required on your as the mapping will happen automatically on the effective date. However, this is an excellent opportunity for you to review your current savings rate, asset allocation and if you are on track to meet you retirement income needs.

To change your investment options for future contributions, or transfer existing balances between investment options log on to the participant website at:

For Fidelity: [www.netbenefits.com](http://www.netbenefits.com) or call 1-800-294-4015

For TIAA: [www.tiaa.org](http://www.tiaa.org) or call 1-800-842-2252



## Resources for you

Questions about the plan  
changes?

Talk to an HRS advisor!

**800.437.0045**

**[www.heffgroupfs.com](http://www.heffgroupfs.com)**

Need assistance with your  
retirement planning?

Talk to Joe Crowley!

**408-246-0246**

**[www.performance-link.com](http://www.performance-link.com)**







## Key dates to remember

For more information please attend one of our town hall meetings in the Manressa Learning Center in the Department of Human Resources:

- Monday October 17, 2016 at 12:00 p.m. and 1:00 p.m.
- Wednesday November 2, 2016 at 3:00 p.m. and 4:00 p.m.
- Monday November 14, 2016 at 1:00 p.m. and 2:00 p.m.
- Tuesday December 6, 2016 at 9:30 a.m. and 10:30 a.m.

**Plan change effective date: Wednesday January 4<sup>th</sup>, 2017**



# Thank

**Heffernan Retirement Services do not offer legal or tax advice. Seek the advice of a tax attorney or tax advisor prior to making a tax-related investment decision.**

# you!