



INDIANA UNIVERSITY

Retirement Plan Changes and Enhancements

Fall 2019

Today's Agenda

- Why the Enhancements?
- Retirement Investment Committee
- Overview of the Enhancements
- Enhancement Details
- Transition Experience
- Managing your new Fidelity Account
- Actions Steps & Resources



It's All Outlined in the Transition Guide



Will be mailed to your home address on file with IU and posted on the **IU Retirement Plan Enhancements** and **Fidelity** websites.



Why the Enhancements?



The university will not see any financial savings from these enhancements.
Participants benefit directly from lower fees and additional services.

IU is not alone – Several other higher education institutions have made similar changes to their retirement plans.



Retirement Investment Committee

- Members include IU Faculty Members and Staff Administrators.
- Members are the named “fiduciaries” of IU’s retirement plans.
- The Committee worked closely with Aon Hewitt Investment Consulting (experienced and unbiased consultant).
- Strategic review of the IU retirement plans included:
 - Reviewing the **current investment menu**;
 - Evaluating the **multiple recordkeeper structure**;
 - Identifying opportunities to **reduce participant fees**; and
 - Assessing ways to **enhance the participant experience** and **improve retirement readiness**.

What is a Fiduciary?

In general terms, a person who owes a duty of care and trust to another and must act primarily for the benefit of the other in a particular activity.¹

¹ Internal Revenue Service (IRS). *Retirement Plan Fiduciary Responsibilities*. www.irs.gov



What is Not Changing

Key aspects of IU's retirement plans **will remain the same:**

- University contribution percentages (Retirement & Savings Plan increase is separate from these enhancements)
- Number and type of retirement plans
- Eligibility requirements
- Vesting requirements

These plans **will not be affected** by these changes:

- Public Employees' Retirement Fund (PERF)
- IU 18/20 Plan eligibility and calculations
- IU Replacement Retirement Plan
- IU Phased Retirement Plan
- Other non-IU plans you have at TIAA or Fidelity

What about my accounts at TIAA that are not associated with IU?

If you have personal investment accounts or accounts from previous employers with TIAA, those accounts will not be affected by these enhancements.



Overview of the Enhancements

- **Simplified reporting with improved services** through a single provider of recordkeeping services, Fidelity;
- **More transparent administrative fee** structure;
- **Streamlined investment menu**;
 - Simplified four-tier structure
 - Self-directed brokerage option
- **Rollovers** from other plans or IRAs into the TDA and 457(b) Plan; and
- **Roth contribution option** for the TDA and 457(b) Plan.



New Investment Menu

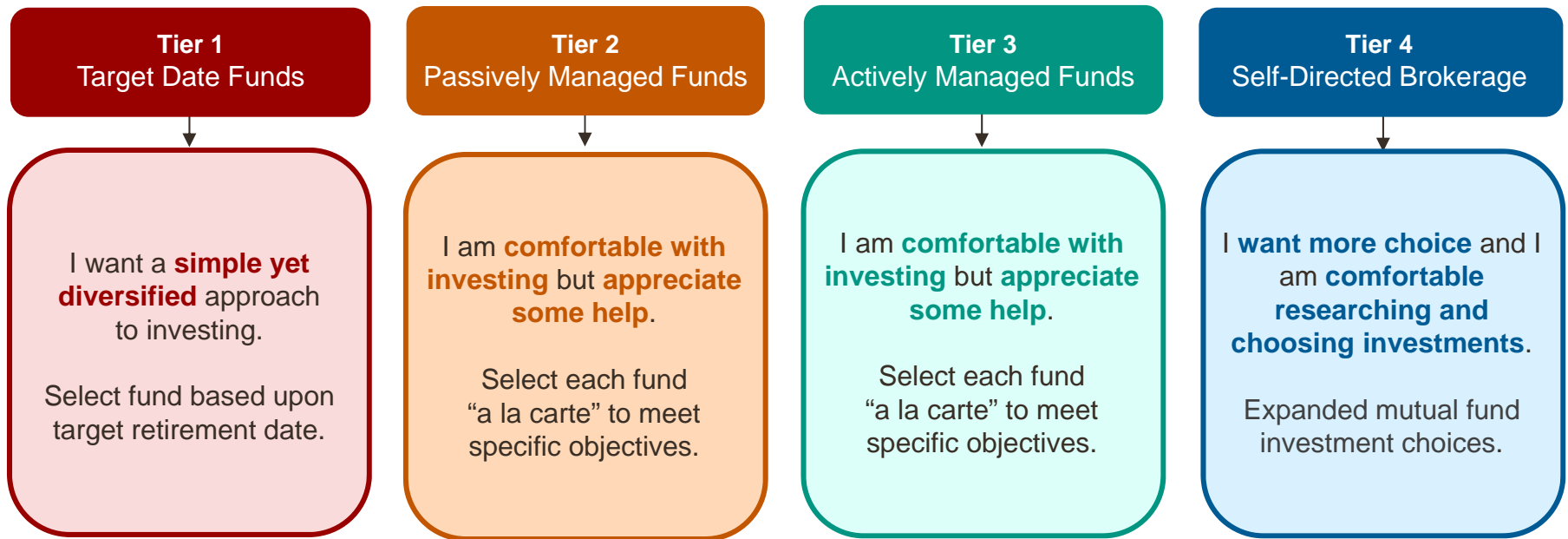
A red diagonal banner with the word "NEW" in white, slanted upwards from left to right.

Four-Tier Investment Structure

- Tiered structure categorizes a broad range of investment options in a way that guides you through the investment decision-making process.
- **You select the appropriate tier(s) based upon your:**
 - Investment knowledge
 - Time for managing your own investment portfolios
 - Tolerance for risk
 - Interest in making asset allocation decisions and selecting investment options
- Investment advice/educational materials are tailored to meet your needs based on selected tier.



Four-Tier Investment Structure



Funds that will be evaluated and monitored by IU Retirement Investment Committee.



Tier 1 Target Date Funds

“I want a **simple yet diversified** approach to investing.”

- Investing strategy that holds a **diversified mix of stocks, bonds, and short-term investments** based upon an anticipated retirement date (“target date”):
 - Portfolio gradually becomes more conservative as the fund reaches its target date
 - Helps ensure you have more stocks (higher risk) in your portfolio when you are young and more bonds and short-term reserves (lower risk) as you near retirement
- You do not have to create your asset mix or make periodic changes – investment professionals reallocate and monitor these funds.

Target Date Funds are an asset mix of stocks, bonds and other investments that automatically becomes more conservative as the fund approaches its target retirement date and beyond. Principal invested is not guaranteed.



Tier 1 Target Date Funds

DATE OF BIRTH	FUND NAME	TARGET RETIREMENT
On or before December 31, 1947	Vanguard Institutional Target Retirement Income Fund Institutional Shares	On or before December 31, 2012
January 1, 1948– December 31, 1952	Vanguard Institutional Target Retirement 2015 Fund Institutional Shares	2013–2017
January 1, 1953– December 31, 1957	Vanguard Institutional Target Retirement 2020 Fund Institutional Shares	2018–2022
January 1, 1958– December 31, 1962	Vanguard Institutional Target Retirement 2025 Fund Institutional Shares	2023–2027
January 1, 1963– December 31, 1967	Vanguard Institutional Target Retirement 2030 Fund Institutional Shares	2028–2032
January 1, 1968– December 31, 1972	Vanguard Institutional Target Retirement 2035 Fund Institutional Shares	2033–2037
January 1, 1973– December 31, 1977	Vanguard Institutional Target Retirement 2040 Fund Institutional Shares	2038–2042
January 1, 1978– December 31, 1982	Vanguard Institutional Target Retirement 2045 Fund Institutional Shares	2043–2047
January 1, 1983– December 31, 1987	Vanguard Institutional Target Retirement 2050 Fund Institutional Shares	2048–2052
January 1, 1988– December 31, 1992	Vanguard Institutional Target Retirement 2055 Fund Institutional Shares	2053–2057
January 1, 1993 – December 31, 1997	Vanguard Institutional Target Retirement 2060 Fund Institutional Shares	2058 - 2062
January 1, 1998 and later	Vanguard Institutional Target Retirement 2065 Fund Institutional Shares	2063 and later



Tier 2 Passively Managed Funds

“I am comfortable with investing but appreciate some help.”

- Funds designed to **mirror** a particular market index or benchmark.
- Provide exposure to a broad selection of securities at a relatively low cost.
- These funds generally have lower fees than “actively managed” funds.
- Gives you a great degree of flexibility and the ability to rebalance and manage your portfolio over time.



Tier 2 Passively Managed Funds

Fund Name	Ticker
Vanguard 500 Index Fund Admiral Shares	VFIAX
Vanguard Developed Markets Index Fund Admiral Shares	VTMGX
Vanguard Emerging Markets Stock Index Fund Admiral Shares	VEMAX
Vanguard Extended Market Index Fund Admiral Shares	VEXAX
Vanguard FTSE Social Index Fund Admiral	VFTAX
Vanguard Total Bond Market Index Fund Admiral Shares	VBTLX
Vanguard Total International Bond Index Fund Admiral™ Shares	VTABX
Vanguard Total International Stock Index Fund Admiral Shares	VTIAX
Vanguard Total Stock Market Index Fund Admiral Shares	VTSAX



Tier 3 Actively Managed Funds

“I am comfortable with investing but appreciate some help.”

- Funds that try to **outperform** comparable market indices or benchmarks.
- Actively managed by a portfolio manager or team of managers that selects investments they think will deliver the best combination of risk and return.
- These funds generally have higher fees than “passively managed” funds.
- Gives you a great degree of flexibility and the ability to rebalance and manage your portfolio over time.



Tier 3 Actively Managed Funds

Fund Name	Ticker
American Century High Income Fund R6 Class	AHIDX
DFA U.S. Targeted Value Portfolio Institutional Class	DFFVX
Diamond Hill Large Cap Fund Class Y	DHLYX
MFS Institutional International Equity Fund	MIEIX
New York Life Guaranteed Interest Account	N/A
PIMCO Total Return Fund Institutional Class	PTTRX
Principal Real Estate Securities Fund Class R-6	PFRSX
T. Rowe Price Institutional Large Cap Growth Fund	TRLGX
Vanguard Federal Money Market Fund Investor Shares^	VMFXX
Vanguard Inflation-Protected Securities Fund Admiral Shares	VAIPX
William Blair Small-Mid Cap Growth Fund Class I	WSMDX

^You could lose money by investing in a money market fund. Although the fund seeks to preserve the value of your investment at \$1.00 per share, it cannot guarantee it will do so. An investment in the fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The fund's sponsor has no legal obligation to provide financial support to money market funds and you should not expect that the sponsor will provide financial support to the fund at any time.



Tier 4 Self-Directed Brokerage

“I am comfortable researching and choosing investments and want more choices.”

- Fidelity **BrokerageLink**[®]
- Provides access to **over 5,000** mutual funds from hundreds of companies:
 - You choose your own investments – while the funds in Tiers 1, 2, and 3 are selected by the Committee, the funds in BrokerageLink are not selected by the Committee
 - Buy, sell, or transfer funds online or by phone
- Fidelity does not provide investment advice for options in BrokerageLink.
- While the funds in Tier 1, 2, and 3 are monitored by the Committee, Tier 4 will not be monitored by IU Retirement Investment Committee.
- Additional costs/fees may apply.

BrokerageLink includes investments beyond those available in your plan’s lineup. You should compare investments and share classes that are available in your plan’s lineup with those available through BrokerageLink, and determine the available share class that is appropriate for your situation. IU neither evaluates nor monitors the investments available through BrokerageLink. It is your responsibility to ensure that the investments you select are suitable for your situation, including your goals, time horizon, and risk tolerance.



Additional Enhancements

Single Provider of Recordkeeping Services

NEW

What Does This Mean?

- Fidelity will be the sole provider of recordkeeping services for the IU retirement plans.
- Fidelity's responsibilities include:
 - Maintaining transactional records
 - Safeguarding participants' investments
 - Providing account-related information (e.g. account statements)

How May This Affect You?

Makes it easy for you to:

- Access your account information
- View your investment accounts
- Manage your accounts

Administrative fees reduced.

Access to **consistent retirement planning & investment education** resources and tools.



NEW

Fee Transparency

Current Structure

- Administrative fees are not outlined on account statements.
- Paid by participants based upon size of account.

New Structure (Starting January 1, 2020)

- **Administrative fees will be outlined on account statements.**
- Administrative fees will be a **flat dollar amount** and will appear on your account statements.



What are My Fees?

A schedule of fees is available on the IUHR website hr.iu.edu/benefits/retirement-rfp-fees.html



Roth Contributions

NEW



- Effective in January 2020.
- Applies to the TDA and 457(b) Plans.
- Contribute all or a portion of your contributions as Roth contributions, up to the annual IRS maximum (2019 = \$19,000).
- Potential for tax-free retirement income
- Traditional pre-tax contribution option will still be available

What is a Roth Option?

A Roth option allows you to contribute money into your retirement account with after-tax dollars, and the money you contribute, including earnings, comes out tax-free in retirement, provided the distribution occurs at least five years after the first Roth contribution and on/after attainment of age 59 ½ disability or death.



Rollovers

NEW

- Effective in January 2020.
- Applies to the TDA and 457(b) Plans.
- Potential benefits of account consolidation:
 - Easily view accounts and investments
 - Wholistic retirement planning
 - Easier for your beneficiaries to manage in the future



Considerations

Be sure to consider all your available options and the applicable fees and features of each before moving your retirement assets.



Transition Experience

How the Transition Will Work

OPTION 1 Select Your New Investments

- Review funds and make your selections during the Early Choice Election Window.
- Your existing mutual fund balances at Fidelity & TIAA and any future contributions **will transfer to the new investment menu based upon your selections.**

Early Choice Election Window
November 11 – December 17, 2019

OPTION 2 Do Nothing

- Your existing mutual fund balances at Fidelity & TIAA and any future contributions **will default into the Vanguard Institutional Target Retirement Fund (Tier 1)** based upon the date closest to when you turn age 65.



If You Currently Have a TIAA Account

- **Mutual fund** balances will transfer to Fidelity
- The following **annuity investments** will remain at TIAA:
 - TIAA Traditional Annuity
 - CREF Bond Market Account (R3)
 - CREF Equity Index Account (R3)
 - CREF Global Equities Account (R3)
 - CREF Growth Account (R3)
 - CREF Inflation-Linked Bond Account (R3)
 - CREF Money Market Account (R3)
 - CREF Social Choice Account (R3)
 - CREF Stock Account (R3)
 - TIAA Real Estate Account
- Some TIAA annuity investments may allow you to **voluntarily move** monies to the new streamlined investment menu at Fidelity
- Effective in January 2020, **all future contributions** must be invested in the new streamlined investment menu



If You Currently Have a TIAA Account



Blackout Period

December 23, 2019 – Week of January 19, 2020

During this time:

- The last payroll contribution will be remitted to TIAA on December 13, 2019.
- You will not be able to make changes to your IU retirement plan account(s) at TIAA, or to your IU retirement plan account balances transferring to Fidelity.
- All IU retirement plan assets at TIAA are subject to the blackout period – even those not transferring to Fidelity.



Key Dates – Current TIAA Accounts

Date	Asset Transfer
January 3, 2020, 4 p.m. ET	Your existing mutual fund account balance will be valued at the close of business.
January 6, 2020	<p>Your mutual fund account balances will transfer into the new investment options at Fidelity based upon your choices selected during the Early Choice Election Window.</p> <p>If you do not make a choice during the Early Choice Election Window, your investments will transfer to a Vanguard Institutional Target Retirement Fund based upon the date closest to when you turn age 65.</p>



Key Dates – Current Fidelity Accounts

Date	Asset Transfer
December 31, 2019 at 4:00 PM ET	<p>If you made a choice during the Early Choice Election Window, your existing mutual fund investments will transfer into the new investment options at Fidelity based upon your choices.</p> <p>If you do not make a choice during the Early Choice Election Window, your investments will transfer to a Vanguard Institutional Target Retirement Fund based upon the date closest to when you turn age 65.</p>



Managing Your New Account

NetBenefits Website

NetBenefits® will be your main resource for getting answers about and taking action on your retirement account.

Login to NetBenefits to:

- Review or change your investments
- Name or update your beneficiaries
- Find the resources you need to help you achieve financial wellness, and feel confident about where you stand.

[NetBenefits.com/Indiana](https://netbenefits.com/indiana)

Fidelity
NetBenefits

Welcome

U.S. Employees | Outside U.S. Employees

Username

Password

Remember Me | [Forgot login?](#)

[Log In](#)

[Register as a new user](#) | [FAQs](#)

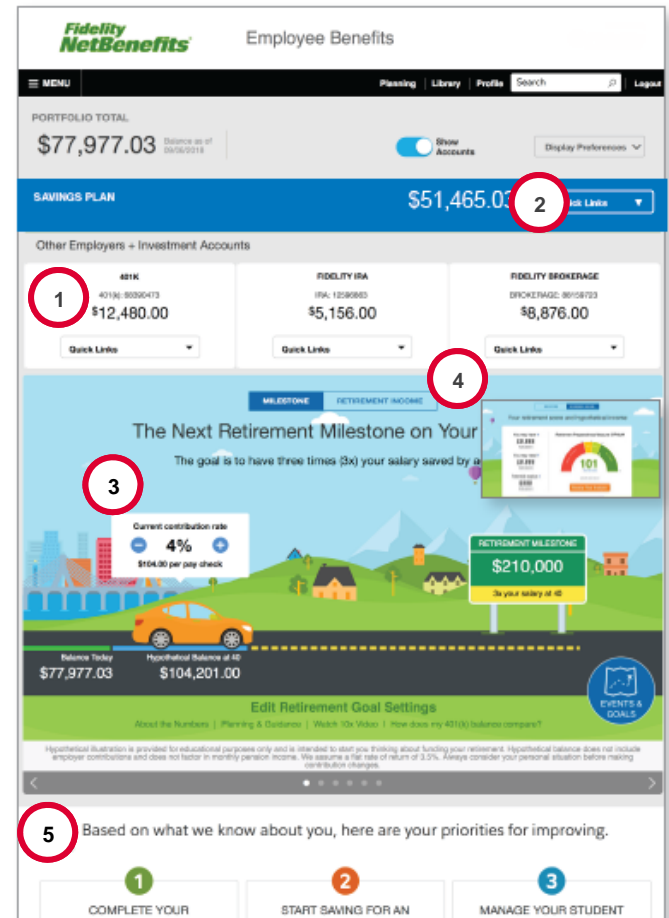
- 1 **Login** Already registered? Simply login.
- 2 **New User?** Select *Register as a new user*.



NetBenefits Website

- 1 View Your Account Balances
- 2 Quick Links
- 3 Your Next Steps
- 4 Retirement Income
- 5 Your Financial Wellness Personalized Action Plan

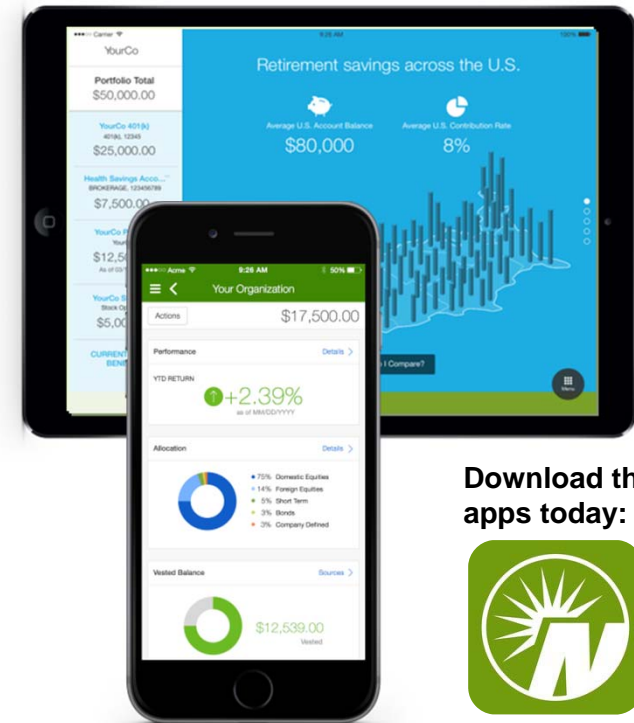
NetBenefits.com/Indiana



NetBenefits Mobile App

The NetBenefits® mobile apps for smartphone and tablet can help you stay connected with your benefits:

- **Access:** Manage your Fidelity workplace accounts in one easy-to-access location
- **Help:** Connect with a rep instantly by tapping “Give us a call”—so you are never too far from live assistance



Download the apps today:



¹Available during regular business hours only

Screenshots are for illustrative purposes only.

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Where Do I Go for Help?

Meet With a Fidelity Representative

Have questions? Meet with Fidelity using the option that works best for you:



Visit a Help Desk

Have a quick question or two?
Just drop by!



Attend a Seminar

No reservations required to attend – held across all IU campuses.



Attend a Live Webinar

Can't attend in person?
Register to attend a live webinar.



1:1 Consultation

Schedule a complimentary 1:1 consultation.
Call 800-642-7131 or schedule online.

Schedules/Registration at [MyFidelitySite.com/IU](https://www.fidelity.com/MyFidelitySite.com/IU)



Next Steps



**Review the
Transition
Materials**



**Review & Select
Investment
Options**



**Meet with a
Fidelity
Representative**

Review Transition Materials, View the Seminar Schedule, and
Schedule a 1:1 Appointment at [MyFidelitySite.com/IU](https://www.fidelity.com/transition/indiana-university)



Thank You!

Any questions?



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Disclosures

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