



TOWN HALL *with* **UW 403(b) Supplemental Retirement Program**

Investing in Your Financial Future

What You'll Learn

1. Why Investments are Changing
2. How Investments were Selected
3. Overview of Changes
 - Core Investment Line-up
 - Self-Directed Brokerage Window
4. Fee Structure
5. When Will Changes Occur? & Next Steps by Recordkeeper
6. Loans in the UW 403(b) SRP
7. Other Changes in 2022
8. Some Frequently Asked Questions
9. Resources & Reminders

Q & A to Follow!



Why Investments are Changing



It is the University's goal to provide a top-tier, low-cost supplemental retirement program for participants.

Best practice is to offer leading providers and proven investment options with a simple and engaging participant experience.

We want it to be easy for you to:

- Enroll
 - Select investments
 - Monitor performance
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How Investments were Selected

Program review was begun in 2017.

RFP issued in 2018 and Consultants hired in spring 2019:

- Aon Investments USA Inc – recordkeeping & investment review
- Willis Towers Watson – communications

The TSA Review Committee formed subcommittees to evaluate:

- recordkeepers
- investment line-up
- communications

and determine next steps.



Investment Subcommittee

- Subcommittee composition: 5 TSARC members (now named SRPAC) with investment and behavioral finance backgrounds, supported by UW System staff
 - Aon Investments USA Inc served as resource
 - Based on program feedback, worked to select a limited yet diverse investment line-up – to combat decision fatigue many enrollees face
 - First chose types of investments to include; then selected the funds
 - For those who may want more choice: a self-directed brokerage window
 - Fund line-up included in Request For Proposal (RFP) soliciting recordkeeper(s) for the program published August 2020
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Overview of Changes



- Two Recordkeepers chosen in RFP
 - TIAA and Fidelity

 - TIAA & Fidelity have virtually the same Core Investment Line-up:
 - Target Retirement Date Funds
 - 16 best-in-class mutual funds
 - One annuity option
(differs between recordkeepers)

 - Self-directed brokerage window
(separate window for each recordkeeper)
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TIAA & Fidelity Core Investment Line-up

Fund	Ticker Symbol	Asset Class
Vanguard Target Retirement Income - Institutional	VITRX	Combination - Target Date
Vanguard Target Retirement Funds 2015 – 2065*	Multiple	Combination - Target Date
Vanguard Total Bond Market Index Fund	VBTLX	Bond - Core Fixed income
Vanguard Short-Term Inflation-Protected Securities Fund	VTAPX	Bond - TIPS
Vanguard Total Stock Market Index Fund	VTSAX	Stock - Large Cap US Equity
Vanguard 500 Index Fund	VFIAX	Stock - Large Cap US Equity
Vanguard FTSE Social Index Fund	VFTAX	Stock - Large Cap US Equity
Vanguard Extended Market Index Fund	VEXAX	Stock - Mid Cap US Equity
Vanguard Total International Stock Index Fund	VTIAX	Stock - International Equity
Vanguard Developed Market Index Fund	VTMGX	Stock - International Equity
Vanguard Emerging Markets Stock Index Fund	VEMAX	Stock - Emerging Market Equity
Vanguard Federal Money Market Fund	VMFXX	Cash
Baird Core Plus Bond Fund	BCOIX	Bond - Core Fixed income
Dodge & Cox Stock Fund	DODGX	Stock - Large Cap US Equity
T. Rowe Price Inst. Large Cap Growth Fund	TRLGX	Stock - Large Cap US Equity
Boston Trust SMID Cap Fund	BTSMX	Stock - Mid Cap US Equity
Goldman Sachs GQG Partners Int. Opportunities Fund	GSIIYX	Stock - International Equity
Principal Real Estate Securities Fund	PFRSX	US REITs
TIAA only – TIAA Traditional Guaranteed Annuity (RCP)	N/A	Guaranteed Fixed Return Annuity
Fidelity only – NY Life Guaranteed Interest Account (GIA)	N/A	Guaranteed Fixed Return Annuity

*Target Date Retirement Funds are in 5-year increments

Vanguard Target Retirement Fund – Institutional Class

The target-date fund is selected based on your projected retirement date (assuming a retirement age of 65). Locate your birth year in the table below to learn how your future contributions will be applied.

Vanguard Target Retirement Income – Institutional Class	VITRX	Prior to 1948
Vanguard Target Retirement 2015 – Institutional Class	VITVX	1948 – 1952
Vanguard Target Retirement 2020 – Institutional Class	VITWX	1953 – 1957
Vanguard Target Retirement 2025 – Institutional Class	VRIVX	1958 – 1962
Vanguard Target Retirement 2030 – Institutional Class	VTTWX	1963 – 1967
Vanguard Target Retirement 2035 – Institutional Class	VITFX	1968 – 1972
Vanguard Target Retirement 2040 – Institutional Class	VIRSX	1973 – 1977
Vanguard Target Retirement 2045 – Institutional Class	VITLX	1978 – 1982
Vanguard Target Retirement 2050 – Institutional Class	VTRLX	1983 – 1987
Vanguard Target Retirement 2055 – Institutional Class	VIVLX	1988 – 1992
Vanguard Target Retirement 2060 – Institutional Class	VILVX	1993 – 1997
Vanguard Target Retirement 2065 – Institutional Class	VSXFX	1998 to present

Self-Directed Brokerage Window

- Both TIAA and Fidelity provide a brokerage window – easy to set up and easy to see once you have signed up.
- No fee to use the brokerage window; HOWEVER, individual funds may have transaction fees. These are clearly noted.
- 98% of assets can be invested in the brokerage window.
- Once you make an initial fund purchase, you can sign up for automatic deferrals.



TIAA Brokerage Window



TIAA will ***waive*** transaction fees on any funds with transaction fees for calendar year 2022 – this includes all Vanguard Funds.

TIAA does not offer any funds with loads in their window.

There are 1000s of funds to choose from; you can sort by type or fund family, e.g., T. Rowe Price.

Fidelity BrokerageLink

Fidelity also 1000s of funds to choose from. They do offer funds with loads.

In addition, Fidelity also offers a number of Exchange Traded Funds (ETFs) (approved for 403(b) plans). ETFs are reputed to be low-cost.

Also – you can get all your current Fidelity funds in the brokerage window and move the funds *in-kind* to the brokerage window.



All Fidelity Funds can move In-Kind to Fidelity BrokerageLink!

These funds retain low-cost share class but no new contributions

- Fidelity Freedom Funds (Target Date)
- FGKFX Fidelity Growth Company, Class K6
- FKEMX Fidelity Emerging Markets Fund, Class K
- FKICX Fidelity Small Cap Stock Fund, Class K6
- FKIDX Fidelity Diversified International Fund, Class K6
- FMGKX Fidelity Magellan Fund, Class K

All Fidelity funds are available

- 27 Fidelity Funds formerly K or K6, now retail
- 154 Fidelity funds did not previously have a special share class – like Fidelity 500 Index Fund, Fidelity Total Market Index Fund, Fidelity US Bond Index Fund, and many others –

they are **all still available!**

***If you move in-kind – it's all or nothing.
You move 100% of your assets.***

Just open Brokerage Link; that tells Fidelity you want to move in-kind.

Many T. Rowe Price Funds are available!

Yes, 14 popular T. Rowe Price funds are closed to new investments.

BUT – Over 120 T. Rowe Price Funds ARE **AVAILABLE** through *either* TIAA or Fidelity Brokerage windows.

For example, T. Rowe Price Target Date Funds, Blue Chip Growth, Large Cap Value, Science & Technology, Health Sciences *and more ARE* available.

If you have a distributable event (at least 59 ½ OR no longer working for the UW) you can take a distribution & roll over your funds into a T. Rowe Price IRA.



TIAA & Fidelity will help you!



Representatives **cannot** provide investment advice for the brokerage window.

BUT they will help you set it up (you must take the action), determine deferral elections, explain how to make a transaction, and answer questions.

If you have specific questions for either company, you may want to sign up for individual counseling.

Scroll to ***Educational Resources*** on the Program Enhancements webpage.

Before investing in any investment option, consider the investment objectives, risks, charges, and expenses. Contact your SRP recordkeeper for additional investment option information.

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Recordkeepers & Fees

A recordkeeper uses its platform to track the plan's investments.

In addition, Fidelity & TIAA provide a full range of plan services, communicate with participants, provide a comprehensive website and mobile apps, individual counseling, webinars, and more.

How are companies compensated for the recordkeeping and all the services?

Currently, recordkeeping and administrative fees are deducted from your investment option(s) and vary depending on the investments you hold in the plan. Included in the expense ratios, there is "revenue sharing." These fees are not specifically detailed on your account statements.

The University will be returning revenue to UW 403(b) SRP T. Rowe Price, Fidelity and TIAA participant accounts in November.

Revenue has been returned twice in the past.



Fees – beginning in 2022

- To be transparent, fees will be clearly identified on your quarterly statements.
 - Plan investments will be as low-cost as possible.
 - The UW 403(b) SRP will not receive revenue from our recordkeepers.
 - To encourage new participants in the SRP, fee tiers have been established.
 - Each company will charge a recordkeeping and administrative fee as a flat dollar amount, based on the size of your account.
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Recordkeeping & Administrative Fees

Guaranteed for 5 years

TIAA

Account Balance	Annual	Quarterly
<\$5,000	\$0	\$0
\$5,000 – \$50,000	\$18	\$4.50
\$50,000.01 – \$100,000	\$38	\$9.50
\$100,000.01 – \$200,000	\$68	\$17.00
\$200,000.01+	\$98	\$24.50

Fidelity

Account Balance	Annual	Quarterly
<\$5,000	\$8	\$2.00
\$5,000 – \$50,000	\$28	\$7.00
\$50,000.01 – \$100,000	\$58	\$14.50
\$100,000.01 – \$200,000	\$98	\$24.50
\$200,000.01+	\$148	\$37.00

When Will Changes Occur

The official change will occur on January 1, 2022.

November - December 2021

November 1, 2021

Select your investments from the new line-up for 2022 once you receive notification that your account with the new recordkeeper has been set up.

December 10, 2021

Last day for T. Rowe Price participants to submit EZ Enrollment or SRA for a new recordkeeper, if you missed enrolling during ABE.

January 2022

Program moves to two recordkeepers and new investment line-up

T. Rowe Price Balances move to Fidelity & TIAA

January 13, 2022

First contributions from paycheck

When will changes occur? & Next Steps by Recordkeeper

- Program changes are effective January 1, 2022.
- Your first affected paycheck will be on January 13, 2022, and
- Account balances will move over in the first weeks of 2022.

Some changes are recordkeeper-specific. Details are on the 403(b) Program Enhancements page, but we will briefly touch on some key points for each.



TIAA and Fidelity

Current Participants with TIAA and Fidelity:

- Your contributions and account balances will remain with your current recordkeeper.
 - Account balances in TIAA **Annuity products** will remain where they are.
 - Mutual fund account balances and all future contributions for both recordkeepers will be moved to the new investment line-up.

Important: No balances will remain in current mutual fund investments, effective January 2022.

Action needed beginning November 1, 2021:

- Access the Investment Pre-Selection Window (link for your recordkeeper on the 403(b) Program Enhancements webpage) to choose new investments that will be available effective January 1, 2022. Select new investments from the core line-up or work in the self-directed brokerage window.

If you take no action:

- Your account balances and contributions will remain with your current recordkeeper; however, the investments that your contributions and **mutual fund** account balance will be invested in will change to an age-appropriate Vanguard Target Date Fund.
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T. Rowe Price

Current participants of T. Rowe Price:

- Your contributions and account balances will move to the recordkeeper you chose during Annual Benefits Enrollment (ABE) for 2022 – TIAA or Fidelity. If you didn't make a choice during ABE, you can turn in a **Salary Reduction Agreement (SRA)** by December 10, 2021.
 - Both your account balance and future contributions will move to your new recordkeeper – TIAA or Fidelity – under the new investment line-up. No balances will be left with T. Rowe Price.
 - If you don't want to contribute in 2022, you can still choose to move your account to Fidelity by contacting Fidelity.

Action needed beginning November 1, 2021:

- Choose new investments online with your new recordkeeper effective January 2022. Select new investments from the core line-up or work in the self-directed brokerage window.

If you take no action:

- If you do not choose a new recordkeeper, you will be defaulted to TIAA.
 - If you do not make investment selections, your account balance and any future contributions will be invested in an age-appropriate Vanguard Target Date Fund.
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T. Rowe Price Balance Transfer Timeline

Balances will first move from T. Rowe Price to Fidelity

- For participants moving to Fidelity: the blackout begins 12/31/2021 and will continue through the week of January 16. The balance will move the 1st week of January. The actual move will take 1 day.

Next T. Rowe Price balances will move to TIAA

- For participants moving to TIAA: the blackout begins 01/07/2021 and will continue through the week of January 23. The balance will move the 2nd week of January. The actual move will take 1 day.
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Ameriprise & Lincoln

Current participants of Ameriprise and/or Lincoln:

- Future ***contributions*** will move to the new recordkeeper you chose during Annual Benefits Enrollment (ABE) – TIAA or Fidelity – under the new investment line-up. If you didn't make a choice during ABE, you can turn in a Salary Reduction Agreement (SRA) to your benefits office by December 30, 2021 (for the January 13 pay date).
- **Your account balance will remain with your current recordkeeper.**

Action needed beginning November 1, 2021:

- Access the Investment Pre-Selection Window link for your new recordkeeper on the 403(b) Program Enhancements webpage to choose new investments that will be effective on January 1, 2022. Select new investments from the core line-up or work in the self-directed brokerage window.

If you take no action:

- If you do not choose a new recordkeeper, your future contributions will be defaulted to TIAA.
 - If you do not make investment selections during the Investment Pre-selection Window, your future contributions will be invested in an age-appropriate Vanguard Target Date Fund.
 - **Reminder: Your account balance will remain with your current recordkeeper.**
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Loans in the UW 403(b) SRP

Some things stay the same

- Still available – including from Lincoln & Ameriprise
- Can still pay off after you leave UW employment
- Can still initiate(!) after you leave UW employment
- Only two active loans allowed at any time
- Loans from T. Rowe Price just move to your new company

A few things change

- Loans with TIAA are currently collateralized ; that is, TIAA is loaning you the money, you pay TIAA the interest.
 - Beginning in 2022, TIAA loans will change: you will loan yourself money from your account and you will pay yourself interest.
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Other Changes Coming in 2022!

- No minimum contributions (currently \$8.00)
- Hardships will be permitted – must comply with federal requirements
- Can convert pre-tax amounts to Roth (available some time in the second quarter of 2022)



Frequently Asked Questions (FAQs)

- I like the Fidelity funds I have and want to keep them by opening up a brokerage account and moving my mutual funds in-kind into the brokerage window ... but I ALSO want to invest in some of the core line-up. How do I do that?
 - If I have both a Fidelity and a TIAA account, do I have to pay fees to both companies?
 - Can I change my mind about which company I want my T. Rowe Price balance to move to?
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Resources and Reminders

- Both the Fidelity & the TIAA Transition Guides are on the website.
- TIAA has a recorded webinar (*Brainshark*) available
- Both Fidelity & TIAA offer webinars & individual counseling sessions

UW 403(b) Program Enhancements

The [UW 403\(b\) Supplemental Retirement Program \(SRP\)](#), formerly the UW Tax-Sheltered Annuity (TSA) 403(b) Program, offers all UW System employees the tax-advantaged opportunity to invest a portion of your income to help prepare for a secure financial future. The UW 403(b) SRP is unique, because it's managed by the UW System and an advisory committee (The SRP Advisory Committee (SRPAC), formerly the TSA Review Committee) specifically for UW System employees. Currently, the program is under review for updates and enhancements with the following goals in mind:

- Offering leading provider(s)
- Providing proven investment options
- Communicating with participants in a simple and engaging manner



As a part of this process, UW System and TSA Review Committee teams reviewed the program, including current providers and investment options, with an eye to cost-effectiveness, simplification and ease of use for our participants. UW System's goal is to make it easy to enroll, select investments, and monitor investment performance on an ongoing basis.

The UW System team is committed to sharing more throughout this review process and as decisions are made over the coming year. UW System's objective is to be transparent and informative, with regular communications to participants and the UW System community as a whole. We will be sending out communications from time to time, but this website will serve as an ongoing communication tool that will be regularly updated with information as it is available. Please bookmark this site and check back to stay updated on our progress.

403(B) PROGRAM CHANGES

Program Information

Program Changes

- » *Program Name*
- » *Recordkeepers*
- » *Investment Line-up*

FAQs

Actions to Take by Recordkeeper

Fee Structure

Investment Pre-selection Window

Educational Resources

- » *Town Halls*
- » *TIAA Information and Counseling Sessions*
- » *Fidelity Information and Counseling Sessions*

Timeline

Communications

Resources

Contact Information

Questions?

Thank you!

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