

UVM Retirement Savings Plan Improvements

Frequently Asked Questions

Issued February 7, 2020

This FAQ answers common questions you may have about the recently announced changes to our Retirement Plans. In addition, TIAA and Fidelity representatives will be conducting group and individual investment advice sessions to assist you with other questions you may have regarding these changes to our plans.

1. Why is UVM making changes to the UVM Retirement Savings Plan?

UVM is committed to providing you with competitive retirement benefits and recently conducted a review of the retirement plan. The resulting updates are intended to give you the investments, services and tools you need to pursue your retirement savings goals.

2. Why is UVM consolidating record keepers?

The Retirement Plan Oversight Committee is responsible for UVM's fiduciary oversight to provide a retirement savings plan that operates effectively and in the best interest of employees. As part of that commitment, the Committee issued a Request for Proposal (RFP), and after a competitive bidding process and gathering input from the campus, community, a decision was made in May 2019 to consolidate from three record keepers to two resulting in significantly lower employee administrative fees. Beginning in April 2020, TIAA and Fidelity will be the only two record keepers and Prudential will no longer be offered.

3. Why is UVM reducing the number of investment options available?

The new structure is designed to simplify the fund selection process and reduce investment expenses. The new fund lineup will be monitored on a periodic basis to ensure the investment options continue to help meet retirement savings goals and comply with UVM's fiduciary responsibilities.

4. How were the final fund offerings determined?

The final fund offerings were determined through a comprehensive review led by Cammack Retirement

Group, an independent investment advisor. As a result, the Retirement Plan Oversight Committee agreed to streamline investment menus going forward, focusing on best-in-class investment managers and access to a diverse set of asset classes.

5. How can I learn about the new investment options in the plans?

Please follow this web link to review the [UVM Retirement Savings Transition Guide](#) (this and other items also posted on the UVM Human Resources website).

6. When are the plan changes effective?

The new investment lineup will become available at 4 p.m. (ET) on February 7, 2020. All participants will be able to take advantage of the transition period from 4 p.m. (ET) on February 7 through 4 p.m. April 7, 2020. If you do not take any action, your mutual fund assets and all future contributions may be directed to an age-related target-date fund available in both the TIAA and Fidelity plans. Existing annuity balances will remain in the current election unless you make a change. Please see the Transition Guide for more details about your annuity account balances and future contributions.

7. If I would like help making investment choices for my plan, what resources are available to help me decide which funds to elect?

You can get investment advice on the Plan's investment options from a TIAA Financial Consultant or a Fidelity Retirement Planner. This service is available as part of your retirement program at no additional cost to you.

To schedule an investment advice session, call TIAA at 800-732-8353 weekdays, 8 a.m. to 8 p.m. (ET). You can also [schedule with TIAA online](#).

To schedule an in-person session with a Fidelity Retirement Planner, call 800-642-7131 weekdays, 8 a.m. to midnight (ET). You can also [schedule with Fidelity online](#).

8. How do I update my contribution amount?

Please complete a Salary Reduction Agreement (SRA) and submit to Human Resource Services. These forms are available from Human Resource Services and on the HRS website.

9. My spouse/partner/friend handles all my finances; can I bring them to the meeting?

Yes. Employees can bring anyone they choose to the group meetings on campus and/or to an individual investment advice session. Your consultant can also consider the spouse or partner's retirement assets when providing the objective investment advice.

10. What steps do I need to take if my current funds are no longer being offered?

For both TIAA and Fidelity, beginning at 4 p.m. (ET) February 7, 2020, the new consolidated fund lineup will be available and you may choose to move your funds to any of the available options. If your current funds are no longer being offered and you do not select funds from the new investment lineup, your existing balances and new contributions will be transferred to a TIAA or Fidelity target-date fund as indicated in the Transition Guide. This investment election period will be open from February 7 through April 7, 2020.

11. What should I expect from an investment advice session with a TIAA Financial Consultant or a Fidelity Retirement Planner?

You can expect a thorough review of your account and action plan for moving forward. Investment advice sessions last approximately forty-five minutes. Bring all your investment account statements, including for any retirement investments outside of the retirement plan and your most recent Social Security statement, if available. A TIAA Financial Consultant or a Fidelity Retirement

Planner will use this information to understand your current financial situation and develop an action plan. You may bring anyone you like to your session with you.

12. Does this fund change affect me if I am no longer working at UVM?

Most UVM Retirement Plan participants will be affected by the fund changes. Participants with individual annuity contracts at TIAA may leave their balances in those accounts if they prefer not to use the new fund selections available.

13. What is fund mapping?

Fund mapping refers to the process by which assets are directed from one fund to another.

14. Will I pay any fees to invest in the investment options in the UVM Retirement Savings Plan?

TIAA: All investment options have expenses and other fees that can be found in each fund prospectus on the [TIAA website](#) by entering the investment's ticker symbol into the search feature.

In addition, a record keeping service fee of 0.038% or \$0.38 per \$1,000 invested, will be deducted proportionally from each of your investments on a quarterly basis. The deductions will be identified as "TIAA Plan Serving Fee" or "Plan Servicing Credit" on your statement and when you view your account online. Please note that TIAA Traditional, the TIAA Real Estate Account and all CREF Annuity accounts do not have revenue sharing. Rather, TIAA may apply a "plan services expense offset" to the plan's administrative and recordkeeping costs for these investment options.

Fidelity: All investment options have expenses and other fees that can be found in each fund prospectus when you log into [Fidelity NetBenefits](#). You can also enter the investment's ticker symbol into the search feature.

In addition, a record keeping service fee of 0.029% or \$0.29 per \$1,000 invested, will be deducted quarterly and will be shown as a separate line item labeled "Recordkeeping Fee" on participant quarterly account statements.

15. How were record keeping services paid for in the past and how will they be paid for in the future?

Previously, record keeping service fees were paid in a bundled approach where each participant paid administrative fees based on their selected investment funds and any revenue sharing specific to those investments. This approach resulted in participants paying varying amounts of plan record keeping fees. Effective April 1, 2020, UVM will structure participant fees to be based on a uniform percentage of your overall account balance. In this way, participant fees are paid more equitably and consistently ensuring all participants contribute to the costs of the Plan.

16. How do target-date funds work?

Each target-date fund consists of underlying mutual funds that invest in a broad range of asset classes. The allocations and risk level depend on how many years remain until the fund's target date. To help reduce risk as the fund's target date approaches, the fund's mix of stocks, bonds and other types of investments are adjusted to a more conservative mix.

17. What are annuities?

There are different types of annuities but they are typically designed to give you the opportunity to grow your money while you're working and provide you with the option to receive income for life when you retire. Fixed annuities are the only retirement products that can guarantee to pay you (or you and a spouse or partner) income for life.

For more information on annuities in employer-sponsored retirement plans, go to [TIAA.org](https://www.tiaa.org). You can then enter the name or ticker symbol of the investment options in the search field.

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