Retirement Savings Plan Improvements
Frequently Asked Questions

In response to the needs of plan participants, UVM’s Retirement Oversight Committee determined that UVM will keep both TIAA and Fidelity as its retirement savings plan record keepers. In addition, the Committee has worked to identify a new menu of best-in-class investment funds for the UVM Retirement Savings Plan effective April 7, 2020, and participants are strongly encouraged to select from the new list of investment options before that time. Participants who do not make a selection will be automatically transitioned to a target date fund with their currently selected record keeper (TIAA or Fidelity).

After the transition, the UVM Retirement Savings Plan will include the new feature of a brokerage window which allows participants to invest in funds that are not on the new menu of best-in-class investments selected by the Committee. Below are frequently asked questions and answers regarding these retirement savings plan improvements. If you have any further questions or feedback, please feel to send these to HRSInfo@UVM.edu.

1) Why is UVM doing this?
A: UVM sponsors a retirement plan for employees. Both UVM and participating employees contribute to the plan to encourage employees to prepare for retirement. Currently, UVM employees and retirees have a total of over $1.2 billion in retirement assets in the plan. Each participant is charged a fee by their retirement plan record keeper based on their account balance and investment fund choices. UVM has negotiated lower fees and increased services for employees. The University itself will have no savings – all savings realized through this process will go to employees and retirees. In addition, UVM will streamline the number of investment fund options to best-in-class funds that will simplify and improve participants’ investment elections.

2) What is the UVM Retirement Oversight Committee and what does it do?
A: Appointed by the President, the UVM Retirement Oversight Committee is responsible for active oversight of the UVM retirement plan, its record keepers and all investment funds offered. The Committee meets quarterly to monitor investment fund performance. In addition, the Committee will monitor record keeper performance, fees and services, participant communications and regulatory compliance and. These are duties commonly referred to as “fiduciary responsibilities.”

3) What is a retirement plan record keeper?
A: A retirement plan record keeper is essentially the bookkeeper of the retirement plan. They track the investment options for employees to choose from, provide a website and online tools, send periodic account statements and offer investment education and financial counseling services. The UVM Retirement Savings Plan has selected Fidelity and TIAA as its record keepers. Prudential will no longer be a record keeper for the plan.

4) What is NOT changing regarding UVM retirement plans?
A: UVM is not changing the retirement plan design, participant eligibility requirements, or UVM contribution amounts.
5) What was the process for making these retirement plan improvements?
A: These retirement plan improvements are the result of numerous steps taken over the past two years by the UVM Retirement Plans Oversight Committee which included:
- In 2017, at the expense of the university, UVM hired Cammack Retirement Group, a retirement plan consultant, to provide guidance on best practices in retirement savings plan administration.
- In 2018, the Committee determined that UVM should issue a request-for-proposal (RFP) to negotiate lower fees and improved services for employees and retirees. This process and the preliminary results were presented to stakeholder groups as well as at employee open forums in early 2019. Based on the feedback received, the Committee determined that UVM should retain both TIAA and Fidelity as record keepers.
- In summer of 2019, the UVM Retirement Plans Oversight Committee began a review of the investment funds available with the intent to streamline the number of funds offered and to add a brokerage window that allows participants additional options outside of the streamlined menu of funds.
- In fall of 2019, a tentative menu of best-in-class investment funds, and the process used to determine the new menu of funds, were presented to the University Benefits Advisory Council (UBAC), as well as the Faculty Senate and Staff Council. The proposed new menu includes 24 mutual funds offered through Fidelity and 23 mutual funds offered through TIAA, along with seven of TIAA’s existing in-plan annuity accounts. Both Fidelity and TIAA will also offer the new brokerage window. The proposals received support from all of these employee groups.
- The proposed fund menu was presented to the President. He supported the recommendations and, as a result, the Retirement Plans Oversight Committee approved the new menu of funds.
- In order to allow time to adequately prepare for these changes, the Committee set an effective date of April 7, 2020. A broad, detailed communication regarding these changes will be shared with employees and retirees in February 2020, about 60 days in advance of the actual transition date.

6) How was the new menu of investment funds determined?
A: As part of their fiduciary responsibilities, the UVM Retirement Plans Oversight Committee worked with UVM’s retirement plan consultant, Cammack Retirement, to research and determine the investment funds to be offered by TIAA and Fidelity. Numerous factors were considered including fund performance ratings, investment returns, fees charged, and fund manager history. Also considered were strong performing funds that currently have high participation rates among UVM employees and retirees. The goal was to provide employees with a best-in-class investment menu including other high quality funds with strong performance and reasonable fees, in addition to TIAA and Fidelity.

7) Does Cammack Retirement Group receive any commission for any new purchases of mutual funds by UVM employees in the program after the change is made?
A: Cammack is entirely independent and receives no commissions from the retirement record keepers or the investment fund managers. UVM pays them as an independent advisor to help the University best manage the responsibilities of sponsoring an employee retirement savings plan. The adviser fees are not charged to employees or the retirement plans.
8) **How will the transition to the new investment funds work?**
A: In early February, you will receive a transition guide announcing the new investment menu for both TIAA and Fidelity. You will have at least 60 days to make new investment elections that will take effect immediately. TIAA and Fidelity will be available on-site, by phone and online to assist you with any changes.

If participants do not make new investment fund elections during this 60 day period, their full account balance will be transitioned to a target date fund on April 7, 2020. Target date funds are the default if no action is taken and are considered a qualified default investment alternative (QDIA) by the IRS. Changes from the target date fund to the new investment funds can be made any time after April 7th.

9) **Will transitioning from our old funds to the new funds result in any fees or taxes?** A: No. In this transition, all funds remain in a tax-exempt retirement savings plan, and there are no transition fees or taxable events.

10) **If I am in one of TIAA’s annuity accounts, do I have to transfer to different funds?** A: If you are in any of the 10 TIAA “annuity” accounts (which are individual contracts not controlled by UVM), these balances will remain as is unless a transfer is directed by you.

11) **Does this affect current retirees?**
A: For retirees with individual annuity contracts through TIAA, there will be no changes. For retirees with mutual funds with TIAA, Prudential or Fidelity, the choice of funds available will change. You can proactively make those selections prior to the transition date and all their funds will be transferred accordingly. If you choose not to make a selection before the transition date, your funds will automatically transfer into an age-based target date fund, but you can move them any time after that. Both TIAA and Fidelity are available to assist you to meet your needs.

12) **What happens if I have a Prudential account?**
A: If you have a Prudential account, you can rollover your account to TIAA or Fidelity at any time. However, you do not have to do anything. Upon the transition date, your Prudential account will transfer to Fidelity with your funds automatically placed in a Fidelity target date fund based on an age 65 retirement date. You will be notified and can then choose to change to other investments funds offered through Fidelity.

13) **If I am retired, can I stay with Prudential?**
A: Yes, but this will require action on your part. You can roll over your funds into a new personal IRA account. If you establish a personal IRA account, you would then be an individual customer with Prudential, and no longer part of the UVM group plan. You may therefore pay higher fees based on those charged to individual customers.

14) **If I have other questions, who should I contact?**
A: If you have additional questions, please email Human Resource Services at hrsinfo@uvm.edu, or give us a call at (802) 656-3150.

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