IU Human Resources

Retirement Program Changes
Why Consider Retirement Plan Changes?

- **Desire to benefit employees** by going out to Request for Proposal (RFP) for our retirement plans to:
  - 1) Lower Fees
  - 2) Improve Services

- The university **will not see any financial savings** from this process
Why Consider Retirement Plan Changes?

Offer “best-in-class” options to employees, including:

- Rollovers to the Supplemental Plans
- Roth IRA Option
- Brokerage Window
What Will Not Change

**Eligibility & Contribution Levels**
- Eligibility for participation
- University & Employee contribution levels
- Years to Vest
- Access to HSA option remains the same

**Legacy Plans**
- Eligibility for the IU 18/20 Plan, the IU Supplemental Early Retirement Plan (IUSERP), and the IU Replacement Retirement Plan will not be disrupted

**Public Employees’ Retirement Fund (PERF)**
- Benefits provided to eligible non-exempt Support Staff through PERF

**Planning & Guidance Support**
- Plan consultants will continue to make campus visits and appointments to assist employees with planning for retirement
What May Change

1. Reduced Fees
2. Higher Performing Funds, Simplified Fund Line-up, and Brokerage Window
3. Additional, Improved Retirement Planning and Guidance
4. Retirement Vendors
IU is Not Alone

These peer institutions have already reduced fees for Faculty and Staff through the RFP process:

Arizona University Systems
Caltech
George Washington University
Harvard University
Johns Hopkins University
Loyola Marymount University
Minnesota State Colleges & Universities
Michigan State University
Northwestern University
Oregon University System
Pepperdine University

Purdue University
Stanford University
University of Colorado
University of Miami
University of Minnesota
University of Notre Dame
University of Oklahoma
University of Pittsburgh
University of Utah
University of Washington
Yale University
## Tiered Investment Structure - Sample

<table>
<thead>
<tr>
<th>Tier</th>
<th>Investment Structure Examples</th>
<th>Investment Knowledge</th>
<th>Desired Level of Engagement</th>
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<tbody>
<tr>
<td><strong>1</strong> Target Date Funds</td>
<td>Target Date Retirement Funds (20XX)</td>
<td>Low</td>
<td>Low</td>
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<tr>
<td><strong>2</strong> Passive Funds</td>
<td>Total U.S. Bond Market Index Fund</td>
<td>Low-Medium</td>
<td>Low-Medium</td>
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<td></td>
<td>Total U.S. Stock Index</td>
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<td></td>
<td>S&amp;P 500 Index Fund</td>
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<td></td>
<td>U.S. Small/Mid Cap Stock Index Fund</td>
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<td></td>
<td>International Stock Index Fund</td>
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<tr>
<td><strong>3</strong> Active Funds</td>
<td>Social Responsibility Funds</td>
<td>Medium-High</td>
<td>Medium-High</td>
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<td>Guaranteed Fixed Annuity</td>
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<td>Core-Plus Fixed Income</td>
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<td>Large Cap U.S. Stock Fund</td>
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<td>Small/Mid Cap Stock Fund</td>
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<td>Non-U.S. Stock Fund</td>
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<td>Real Estate Fund</td>
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<td><strong>4</strong> Self-Directed Window</td>
<td>Mutual Fund Window</td>
<td>High</td>
<td>High</td>
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## Timeframe for RFP Process at IU

<table>
<thead>
<tr>
<th>Activities</th>
<th>2018</th>
<th>2019</th>
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<tbody>
<tr>
<td>Meetings with the President’s Cabinet, Chief Financial Officer, HR Steering Team, Faculty Councils, Professional Councils, and Union leadership to discuss the RFP and process</td>
<td>Aug</td>
<td>Jan Feb Mar Apr May</td>
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<tr>
<td>Announcement of RFP</td>
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<td>Meetings at all campuses to provide faculty, professional staff, retirees, etc. with information</td>
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<tr>
<td>Administrative Search to establish optimal relationship between cost and services provided by service provider(s)</td>
<td>Oct Nov Dec</td>
<td>Apr</td>
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<tr>
<td>Announcement of Administrative Search results</td>
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<td>May</td>
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