Why Consider Retirement Plan Changes?

- Desire to benefit employees by going out to Request for Proposal (RFP) for our retirement plans to:
  - Lower Fees
  - 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 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  Purdue University
Caltech  Stanford University
George Washington University  University of Colorado
Harvard University  University of Miami
Johns Hopkins University  University of Minnesota
Loyola Marymount University  University of Notre Dame
Minnesota State Colleges & Universities  University of Oklahoma
Michigan State University  University of Pittsburgh
Northwestern University  University of Utah
Oregon University System  University of Washington
Pepperdine University  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>
</tr>
</thead>
<tbody>
<tr>
<td>1 Target Date Funds</td>
<td>Target Date Retirement Funds (20XX)</td>
<td>Low</td>
<td>Low</td>
</tr>
</tbody>
</table>
| 2 Passive Funds     | Total U.S. Bond Market Index Fund  
                     | Total U.S. Stock Index  
                     | S&P 500 Index Fund  
                     | U.S. Small/Mid Cap Stock Index Fund  
                     | International Stock Index Fund                                                                 | Low-Medium            | Low-Medium                  |
| 3 Active Funds     | Social Responsibility Funds  
                     | Guaranteed Fixed Annuity  
                     | Core-Plus Fixed Income  
                     | Large Cap U.S. Stock Fund  
                     | Small/Mid Cap Stock Fund  
                     | Non-U.S. Stock Fund  
                     | Real Estate Fund                                                                 | Medium-High           | Medium-High                  |
| 4 Self-Directed Window | Mutual Fund Window                                                                                       | High                 | High                         |
## Timeframe for RFP Process at IU

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

askhr@iu.edu

812-856-1234