

# Reimagining the University's Employee Retirement Plans

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CSU recently kicked-off the implementation of a research-based approach to improve retirement preparedness for university employees. Through this endeavor, a retirement plans comparative review process will be performed.

Through this project effort Human Resources wishes to modernize the university's retirement plan offerings, while increasing participant focus on education with best-in-class investment options and stellar recordkeeper(s) arrangements at competitive costs.

## News and Events

### [COVID-19 FAQs Regarding Faculty and Staff Guidance](#)

CSU Human Resources FAQs answer common questions for faculty, staff and student employees about the impacts of COVID-19 on leave, work arrangements and other concerns.

### [New Colorado Leave Benefits](#)

The State of Colorado implemented three new leave options for State employees effective January 1, 2021. This includes leave under the Healthy Families & Workplaces Act and Paid Family Medical Leave.

### [Fraudulent Unemployment Claims](#)

Due to the rise in unemployment insurance claims related to COVID-19, there has been a rise in fraudulent unemployment claims and other instances of fraud. Resources are available for employees who have been a victim of such fraud.

### [Town Hall: Fall 2021 at Colorado State University](#)

View a video of the Town Hall session that occurred on May 13, 2021.

- [Video with English captions](#)
- [Video with Spanish captions](#)

### [Voluntary Retirement Incentive Plans](#)

Colorado State University is pleased to offer the second voluntary retirement incentive plans for eligible faculty, administrative professionals and classified staff. Eligible employees may apply for the Plan from **June 1, 2021** until **June 30, 2021, 5 p.m., MT**

### [Retirement Plans Comparative Review Process](#)

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# Guiding Light

University Benefits Committee  
12 August 2021

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Our Committee's guiding question throughout this process has been:

What culture, processes, structures, and documents will provide the best framework for successful achievement of the University's Retirement Plan mission in the coming years and match the reality of the way in which modern organizations operate in this space?

## Project Committee:

- **Chair: Joseph DiVerdi**, Non-Tenure Track Faculty Committee Member  
Associate Professor, Chemistry, College of Natural Sciences
- **Sue Doe**, Faculty Council Chair  
Professor, English, College of Liberal Arts
- **Catherine Douras**, Admin Pro Council Chair  
Senior Research Administrator, Office of Sponsored Programs
- **Bolivar Senior**, University Benefits Committee Chair, Associate Professor  
Construction Management, College of Health & Human Science
- **Lacey Snyder**, Higher Ed ORP Review Committee Member  
Administrative Professional, Associate University Controller

## Advisory Members:

### CSU Human Resources

- **Robyn Fergus**, Executive Director & CHRO
- **Bill Liley**, Special Assistant to CHRO & Retired HR Director
- **Teri Suhr**, Chief Total Rewards Officer

### Innovest Portfolio Solutions

- **Wendy Dominguez**, Principal, President, & Co-Founder
- **Gordon Tewell**, Principal
- **Troy Jensen**, Vice-President

CSU's 401(a) plan, also known as the Optional Retirement Plan or better known as the Defined Contribution Plan (DCP) for faculty and non-classified staff.

The university contributes 12% to those employees who are match eligible and employees are required to contribute 8% in lieu of Social Security.

The 403(b) plan is a voluntary savings plan sponsored by the university and the same recordkeepers are available for both the DCP and 403(b).

The Student Employee Retirement Plan (SERP) will also be part of this project review process.

An extensive researched based review project has not been completed in over two decades, which is when the formal procurement process selected Fidelity Investments, TIAA and AIG (formerly known as VALIC).

The retirement landscape has changed over time and with Innovest Portfolio Solutions, Inc. assistance the project committee can fully review all aspects of plan compliance and administration to assure our employees of adequacy of plan choice, plan performance, recordkeeper(s), education and competitive fee arrangements.

## Project Timeline

**Phase II (beginning May 22, 2020):** Retirement Vendor Search/Request for Qualifications (RFQ) Services (beginning May 2020)

Under Committee Review:

- Employee retirement survey feedback results (beginning December 2020)
- RFQ record-keeper responses (beginning January 2021)

**Phase III:** Conversion Coordination – Investment Selection – Recordkeeper(s) Selection

**Phase I (completed May 22, 2020):** Benchmarking & Strategic Planning

The timeline has been stretched out because of factors created by the COVID pandemic.

The current projection for the submission of a Committee recommendation to the University VP of Operations is mid-fall semester.



## Current

AIG, Fidelity, and TIAA as multiple recordkeepers

- There is no master administrator
- The DCP investment menu offers 359 investment options across the three recordkeepers
- The 403(b) Plan investment menu offers 380 investment options across the three recordkeepers
- The investment are proprietary with AIG recordkeeping offering AIG/VALIC investments, Fidelity recordkeeping offering Fidelity investments and TIAA recordkeeping offering TIAA/TIAA-CREF investment options

Total Costs for recordkeeping:	\$2,979,935
– DCP:	\$2,050,055
– 403(b):	\$892,365
– SERP participant:	\$37,515

## CSU Survey - What We Learned

Survey ran 1-23 oct 2020

### Summary

Employees expressed that they feel that they would benefit from better education around the options available to them for retirement plan savings, including CSU plans, PERA, and Social Security. They value low-cost investments and operational efficiency, but also believe that the greatest need and feature for improving their retirement readiness is (personal) expert guidance. Fidelity is used and referenced by the largest number of participants, while AIG is a distant third.

- Total Responses = 1,361
- Participating in DCP = 994 (73%)
- Employment Status:
  - Admin. Professional or Post-Doctoral Fellow = 56%;
  - State Classified = 18%;
  - Tenured/Tenure Track Faculty = 15%;
  - Non-Tenure Track Faculty = 7%

# Employee Survey

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## Comment Analysis

### Question 4: If you selected AIG, Fidelity or TIAA in question #3, please describe what makes them your preferred selection?

Category	Count	Percent	For Instance
No Clear Reason	207	23.10%	Random, Only Option, Don't Remember
Prior Experience with Provider	268	29.91%	Prior Employer Used Them, Convenient, Have Other Account There
Recommended by Others	65	7.25%	Advisor Recommended; Co-workers Recommended
Provider Name / Reputation	116	12.95%	History; Name Recognition; Reputation; Heard they were XYZ
Product/Service (i.e. Fund Selection, Fees, Meetings)	240	26.79%	Investment Options; Fees; Website; Service Personnel
<b>Total</b>	<b>896</b>	<b>100.00%</b>	

We received 851 answers to this question, some of which touch on multiple topics. Two main factors are previous personal/household experience with the vendor and specific, active assessment of the choices. Among the latter, common drivers were feeling of better investment options, lower fees, a better online experience, or better service/people.

### Question 6: If you currently do not contribute to the CSU 403(b) plan or Voluntary PERA Plans, why not?

Category	Count	Percent	For Instance
No Clear Reason	10	8.26%	
Choose to Save in Other Ways Instead	63	52.07%	Contribute to IRA;
Lack of Time/Opportunity to Sign Up	4	3.31%	It takes too much time/effort to figure out;
Lack of Understanding About the Provider or Investment Options	5	4.13%	
Lack of Extra Money to Invest Supplemental Plan Currently	5	4.13%	
Lack of Awareness About the Plans or Eligibility	16	13.22%	Did not think I was eligible; Lack of advertising
Do Not Want To Contribute to Plan(s)	18	14.88%	Not interested; No match; It's on my To-Do List
<b>Total</b>	<b>121</b>	<b>100.00%</b>	

We received 121 comments from the 23.6% of responses that chose "Other". A little over half of the comments mention choosing to save for retirement in other ways or accounts. About 25% are additive to some of the other options provided, such as lack of awareness about options or eligibility or lack of time or money. About 15% stated they do not wish to contribute.

### Question 16: What would help you better plan and prepare for retirement?

Category	Count	Count	For Instance
All of the Above	3	3.09%	
Better Communication/Education/Service	25	25.77%	Help understanding options; More access to knowledgeable reps/advisers; Info in plain english
A -- Access to individual financial advice (11)			
B -- Access to presentations on preparing to retire (2)			
C -- Online retirement and financial planning tools and education (4)			
D -- Easy plan enrollment process (3)			
Better and/or More Investment Options	15	15.46%	Lower Expense Ratios; Target Date Funds; SRI
Better Plan Features or Access to Other Plans	12	12.37%	Alternatives to PERA; Access to PERA; Match; Soc. Sec./Fixed Benefit;
More Money and/or Time	18	18.56%	Higher pay/median income; Finding time to deal with it; Less debt; Lower health ins. costs
Nothing	24	24.74%	
<b>Total</b>	<b>97</b>	<b>100%</b>	

We received 97 comments from the 8% of responses that chose "Other". About 25% of those add to responses supporting better or additional communication, education, and service. Responses also touched on desired changes to investment options (selection/cost), access to other plans or features (PERA or Matching), or simply needing more time and/or money.

# Employee Survey

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## Question 20: What are your top 3 questions or concerns about retirement planning?

Category	Count	Percent	For Instance
What Action to Take	246	12.66%	Where do I start? What should I be doing at age xx?
Having "Enough" to Retire	514	26.45%	Will I have enough?
Investment Allocation	290	14.93%	Am I investing in the right funds? Am I diversified enough? Too risky? Not aggressive enough?
Investment Options	65	3.35%	Low cost investment options; Investing in sustainable or ethical companies
Plan Options and Features	402	20.69%	Plan options; Distribution options; Tax implications; PERA;
Social Security	80	4.12%	How does this impact Social Security? Why can't I contribute to Social Security?
Current Income / Expenses	31	1.60%	Don't have enough income; Paying off debt; Saving for kid's college
Health / Healthcare	175	9.01%	Healthcare costs in retirement; Medicare; Health insurance options
Economic or Global Topics	74	3.81%	Uncertain future; inflation; market volatility/crash; pandemic; Trump
Other/Unclear	66	3.40%	
<b>Total</b>	<b>1943</b>	<b>100.00%</b>	

We received approximately 2,000 total comments and questions in the three parts of Question #20. The greatest level of concern focused on 1) having enough to retire (when you want, how you want, or at all), 2) understanding the retirement plan options and key details/rules/benefits of each vehicle, and 3) how to plan and invest for retirement, including getting started and proper investment allocation.

## Question 24: Do you have any additional comments you would like to share with the Retirement Plans Review Committee?

# Fund Participation by Vendor

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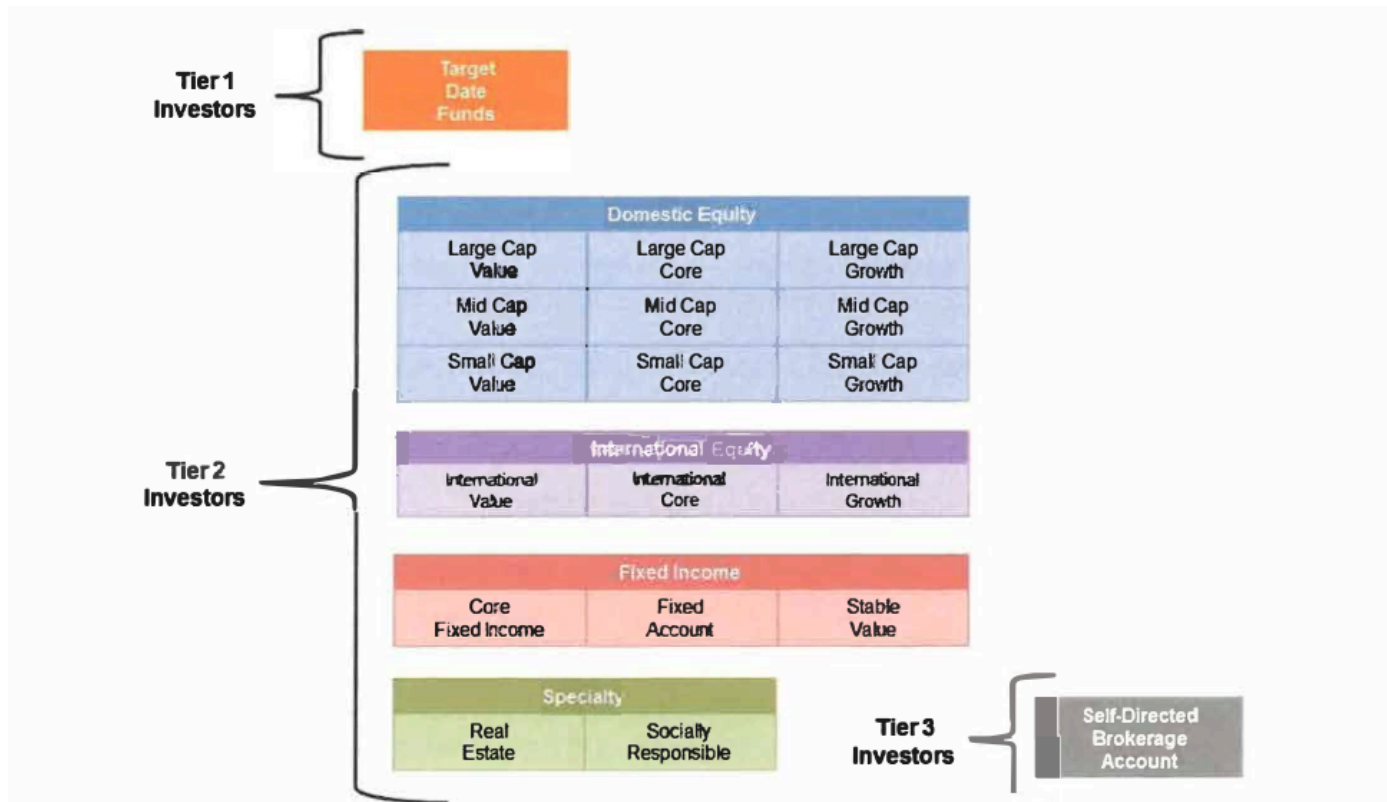
TIAA				
# Active or with Balance - DCP	6,306			
# Active or with Balance - 403(b)	1,001			
Total	7,307	\$934,388,000		
Total # of Investment Funds	34			
INVESTMENT FUND	# holding this fund	total value in this fund	% holding this fund	% total value in this fund
TIAA TRADITIONAL	2719	\$171,217,000	37%	18%
CREF STOCK R3	2166	\$157,070,000	30%	17%
TIAA REAL ESTATE	2149	\$43,146,000	29%	5%
CREF MONEY MARKET R3	1857	\$39,134,000	25%	4%
CREF GLOBAL EQUITIES R3	1692	\$67,774,000	23%	7%
CREF BOND MARKET R3	1182	\$31,597,000	16%	3%
CREF GROWTH R3	1166	\$64,903,000	16%	7%
TIAA-CREF QT SML CAP EQ-PREM	1091	\$22,612,000	15%	2%
TIAA-CREF INTL EQ-PREM	1068	\$22,534,000	15%	2%
TIAA-CREF MID-CAP VAL-PREM	1014	\$16,050,000	14%	2%
CREF EQUITY INDEX R3	991	\$50,236,000	14%	5%
CREF INFLATION-LINKED BOND R3	980	\$17,969,000	13%	2%
TIAA-CREF EMRG MKT EQ IDX-PREM	909	\$13,780,000	12%	1%
TIAA-CREF LG-CAP VAL-PREM	905	\$18,753,000	12%	2%
CREF SOCIAL CHOICE R3	884	\$40,643,000	12%	4%
TIAA-CREF SOCIAL CH EQ-PREM	658	\$18,462,000	9%	2%
TIAA-CREF CORE IMPACT BD-PREM	610	\$16,319,000	8%	2%
TIAA-CREF LIFECYCLE 2050-PREM	494	\$16,381,000	7%	2%
TIAA-CREF LIFECYCLE 2045-PREM	455	\$19,479,000	6%	2%
TIAA-CREF EMERGING MKT EQ-PREM	417	\$4,642,000	6%	0%
TIAA-CREF LIFECYCLE 2055-PREM	404	\$8,741,000	6%	1%
TIAA-CREF LIFECYCLE 2040-PREM	344	\$18,735,000	5%	2%
TIAA-CREF MID-CAP GR-PREM	326	\$6,189,000	4%	1%
TIAA-CREF LIFECYCLE 2035-PREM	244	\$16,778,000	3%	2%
TIAA-CREF LIFECYCLE 2030-PREM	164	\$8,145,000	2%	1%
TIAA-CREF LIFECYCLE 2060-PREM	155	\$1,867,000	2%	0%
TIAA-CREF LIFECYCLE 2025-PREM	149	\$8,585,000	2%	1%
TIAA-CREF LIFECYCLE 2020-PREM	107	\$6,240,000	1%	1%
TIAA-CREF LIFECYCLE 2015-PREM	63	\$2,766,000	1%	0%
TIAA-CREF LIFECYCLE 2010-PREM	45	\$782,000	1%	0%
TIAA-CREF LFCYLE RTMT INC-PREM	34	\$1,095,000	0%	0%
LOAN FUND	32	\$725,000	0%	0%
PLAN LOAN DEFAULT FUND	30	\$796,000	0%	0%
SELF DIRECTED ACCOUNT	3	\$243,000	0%	0%

Fidelity				
# Active or with Balance - DCP	5,316			
# Active or with Balance - 403(b)	783			
Total	6,079	\$662,358,000		
Total # of Investment Funds	194			
INVESTMENT FUND	# holding this fund	total value in this fund	% holding this fund	% total value in this fund
0458-FID GOVT MMTK	1482	\$20,954,000	24%	3%
2090-FID GROWTH CO K	998	\$53,839,000	16%	8%
2099-FID OVERSEAS K	704	\$11,570,000	12%	2%
3029-FID FREEDOM 2050 K	697	\$20,711,000	11%	3%
2328-FID 500 INDEX	628	\$32,393,000	10%	5%
3028-FID FREEDOM 2045 K	608	\$26,164,000	10%	4%
3030-FID FREEDOM 2055 K	586	\$12,738,000	10%	2%
2080-FID CONTRAFUND K	543	\$47,486,000	9%	7%
0335-FID INTL CAP APPREC	520	\$2,937,000	9%	0%
0331-FID NEW MARKETS INC	518	\$1,286,000	9%	0%
2098-FID OTC K	509	\$12,531,000	8%	2%
0455-FID HIGH INCOME	505	\$2,803,000	8%	0%
0015-FID GNMA	494	\$4,639,000	8%	1%
2089-FID GROWTH & INC K	488	\$9,274,000	8%	1%
2084-FID EMERGING MKTS K	486	\$3,585,000	8%	1%
2097-FID MID CAP STOCK K	485	\$3,379,000	8%	1%
0361-FID MEGA CAP STOCK	484	\$4,725,000	8%	1%
2208-FID CORPORATE BOND	481	\$2,384,000	8%	0%
2369-FID TOTAL EMERG MKTS	479	\$1,645,000	8%	0%
2355-FID REAL ESTATE IDX	472	\$1,161,000	8%	0%
2086-FID EQ DIV INCOME K	471	\$2,567,000	8%	0%
0833-FID REAL ESTATE INC	463	\$542,000	8%	0%
2941-FID US SUSTN IDX	429	\$3,688,000	7%	1%
3027-FID FREEDOM 2040 K	419	\$21,326,000	7%	3%
2088-FID FUND K	403	\$1,685,000	7%	0%
2418-FID INFL PR BD IDX	394	\$2,772,000	6%	0%
2102-FID VALUE K	368	\$1,294,000	6%	0%
2085-FID EQUITY INCOME K	347	\$8,236,000	6%	1%
2988-FID INTL SUSTN IDX	333	\$849,000	5%	0%
2078-FID BLUE CHIP GR K	333	\$25,025,000	5%	4%
3026-FID FREEDOM 2035 K	318	\$14,618,000	5%	2%
GC10-METLIFE FIXED-OLD	309	\$7,906,000	5%	1%
1979-FID INTL GROWTH	295	\$1,864,000	5%	0%
0032-FID INTERMED BOND	277	\$3,311,000	5%	0%
3031-FID FREEDOM 2060 K	274	\$3,603,000	5%	1%
2077-FID BALANCED K	271	\$21,246,000	4%	3%
3025-FID FREEDOM 2030 K	263	\$18,092,000	4%	3%
2326-FID US BOND IDX	257	\$7,351,000	4%	1%
3024-FID FREEDOM 2025 K	229	\$14,003,000	4%	2%
0820-FID TOTAL BOND	209	\$10,605,000	3%	2%
2096-FID MAGELLAN K	209	\$15,177,000	3%	2%
0026-FID INVST GR BD	191	\$4,100,000	3%	1%
0384-FID SM CAP DISCOVERY	157	\$3,604,000	3%	1%
2361-FID TOTAL MKT IDX	155	\$11,728,000	3%	2%
0042-FID SEL BIOTECH	153	\$3,538,000	3%	1%

AIG				
# Active or with Balance - DCP	1,648			
# Active or with Balance - 403(b)	1,166			
Total	2,814	\$303,184,000		
Total # of Investment Funds	138			
INVESTMENT FUND	# holding this fund	total value in this fund	% holding this fund	% total value in this fund
FIXED ACCOUNT PLUS	963	\$64,277,000	34%	21%
STOCK INDEX FUND	535	\$13,854,000	19%	5%
SHORT TERM FIXED ACCOUNT	527	\$13,428,000	19%	4%
MID CAP INDEX FUND	509	\$10,675,000	18%	4%
FIXED INTEREST OPTION	384	\$15,923,000	14%	5%
VANGUARD WINDSOR II	355	\$4,181,000	13%	1%
VANGUARD WELLINGTON	337	\$7,842,000	12%	3%
VC I MID CAP INDEX	336	\$6,590,000	12%	2%
VC I INTERNATIONAL EQUITIES	292	\$8,199,000	10%	3%
VC I SYSTEMATIC CORE	268	\$3,657,000	10%	1%
INTERNATL EQUITIES INDEX FUND	265	\$1,863,000	9%	1%
SMALL CAP INDEX FUND	254	\$3,180,000	9%	1%
MID CAP VALUE FUND	254	\$2,103,000	9%	1%
VC I GOVERNMENT MONEY MARKET I	253	\$4,545,000	9%	1%
VANGUARD WINDSOR II	251	\$3,891,000	9%	1%
INTL OPPORTUNITIES	251	\$1,502,000	9%	0%
VC I GLOBAL REAL ESTATE	244	\$1,456,000	9%	0%
SCIENCE & TECHNOLOGY FUND	240	\$5,781,000	9%	2%
VC I EMERGING ECONOMIES	230	\$2,322,000	8%	1%
EMERGING ECONOMIES	227	\$952,000	8%	0%
VC I INTL GROWTH	222	\$2,033,000	8%	1%
VC II CORE BOND	215	\$8,370,000	8%	3%
US SOCIALLY RESPONSIBLE FUND	207	\$2,039,000	7%	1%
SMALL CAP VALUE FUND	205	\$842,000	7%	0%
INTERNATIONAL VALUE FUND	193	\$1,300,000	7%	0%
VC I STOCK INDEX	192	\$5,625,000	7%	2%
DIVIDEND VALUE	190	\$1,030,000	7%	0%
STRATEGIC BOND FUND	175	\$2,623,000	6%	1%
VC II HIGH YIELD BOND	175	\$1,851,000	6%	1%
VC II SMALL CAP GROWTH	173	\$1,711,000	6%	1%
HIGH YIELD BOND FUND	171	\$1,051,000	6%	0%
VC I CAPITAL CONSERVATION	170	\$10,561,000	6%	3%
BLUE CHIP GROWTH FUND	166	\$3,798,000	6%	1%
CORE BOND FUND	161	\$2,896,000	6%	1%
INFLATION PROTECTED FUND	161	\$1,254,000	6%	0%
GLOBAL REAL ESTATE FUND	161	\$279,000	6%	0%
GROWTH FUND	156	\$3,108,000	6%	1%
INVESCO BAL RISK COMMOD STR R5	156	\$343,000	6%	0%
VANGUARD WELLINGTON FUND INC	151	\$5,653,000	5%	2%
ARIEL APPRECIATION	143	\$829,000	5%	0%
LOAN COLLATERAL FUND	131	\$1,682,000	5%	1%
LOAN ESCROW FUND	131	\$36,000	5%	0%
HEALTH SCIENCES FUND	130	\$3,105,000	5%	1%
INTERNATIONAL GROWTH FUND	127	\$2,411,000	5%	1%
VC II MID CAP VALUE	123	\$731,000	4%	0%

# Fund Participation by Vendor

University Benefits Committee  
12 August 2021



## Tier 1:

Target date funds are for participants who want a broadly diversified portfolio for their retirement savings but don't want to do the re-balancing themselves.

## Tier 2:

Participants can construct their own diversified portfolios by allocate their contributions across 17 asset classes. Options include both actively managed funds and passive (index) funds.

## Tier 3:

The brokerage window is for savvy investors who prefer to take an active responsibility in managing their investments.