

GET READY FOR YOUR
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Retirement Plans Transition to Fidelity

Informational Session
Student Employee Retirement Plan (SERP)

Colorado State University



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Interim Vice President for Human Resources, Brett Anderson

Discusses the Project Background



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Today's Agenda

- Committee recommendations
- Investment selection and new investment options
- Investment transfers
- Transition to Fidelity

Presenters

- Joseph DiVerdi, Retirement Plans Committee Chair and Associate Professor of Chemistry
- Guests from Innovest Portfolio Solutions
- Guests from Fidelity Investments



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A Brief Note

- We understand that major changes, like these, can cause disruption in your life but we are convinced that these changes will greatly enhance your opportunity to achieve your retirement fund goals
- The committee, comprised of Faculty and staff leaders and others with relevant experience
- The changes have support from the University and the Board of Governors
- There is a detailed plan forward
- Human Resources and Fidelity Investments are here to help



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Who was involved?

University-wide committee

- Council Chairs: Faculty & Admin Pro
- University Benefits Committee Chair
- Faculty Member, Joseph DiVerdi, Retirement Committee Chair
- University Associate Controller

Retirement plan consultant - Innovest Portfolio Solutions

- Independent external consultant
- Experienced in higher ed retirement fund structures and best practices
- Facilitated many higher ed institutions projects with many in Colorado

University leadership

- Vice President for Human Resources
- University President
- Office of General Counsel
- Board of Governors (final approval)



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Who benefits from this project?

Employees, retirees and former employees directly benefit as a retirement plan participant in the DCP, 403(b) or SERP in a sole-provider arrangement

- High-quality menu of curated investments selected by the CSU Retirement Investment Committee
- Elevated customer service
- Streamlined educational resources
- Regulatory compliance
- Cybersecurity protections
- Competitive and transparent fees



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3-Year Committee Review

Research best practices for higher education retirement plans

- Multiple providers or sole provider
- Options for streamlined high-quality core investments

Rigorous competitive process – companies required to show how they would be “best” at servicing plan participants including:

- Enhanced communication and education
- Cybersecurity abilities
- Competitive participant fees

Solicited ways to enhance services and education for plan participants as a result of employee survey and town hall feedback

- Quality over quantity of funds - creation of high-quality investments
- Better education about retirement investment strategy and options
- Understandable costs of account management fees and investment fees



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Retirement Committee Chair, Associate Professor of Chemistry Joseph DiVerdi

Discusses the Review Process and
Recommendation



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A Brief Message from the Committee Chair



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Innovest Portfolio Solutions

Discusses Investment Selection, Mutual
Fund Transfers and Participant Fees



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Who made the investment fund decisions?

Retirement Plans Investment Committee with research support from Innovest Portfolio Solutions

- University Chief Financial Officer, Chair
- Department of Finance and Real Estate faculty member with investment expertise
- Active plan participant with investment expertise
- Retired plan participant
- Two non-university members with investment experience
- Chief Total Rewards Officer, non-voting



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Why is Innovest's structure important?

Innovest is a fiduciary that is independent and objective in helping CSU build an investment menu

- Selected through the University procurement process
- No proprietary products
- No conflicts of interest
- No payments from investment products
- Follow a rigorous and disciplined investment process



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What were the investment decision factors and selection process?

Rigorous research by committee's consultant, Innovest Portfolio Solutions, which included qualitative and quantitative analysis including:

- Strong organizational structure, culture, investment philosophy and process
- Significant professional tenure
- Strong historical investment performance and risk adjusted performance
- Reasonable fees



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What investments are available?

Student Employee Retirement Plan (SERP)

Tier 1	Target Date Investments	Investment options structured to periodically rebalance to optimize risk and returns for a predetermined time frame.
Tier 2	Core Investments	Investment options limited to a curated list of best-in-class choices.



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How will the investment menu be monitored?

The CSU Retirement Plans Investment Committee and Innovest will meet quarterly, and at other times as necessary, to monitor and evaluate performance of the core menu funds

- Review fund manager tenure and turnover
- Investment fund organization strength
- Style and philosophy of investment manager
- Investment fund performance
- Fee structures and fee reduction opportunities



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What is an administrative fee?

Administrative fees

- You pay this fee to the service provider to manage the plans and record-keep the assets.
- We are in the process of determining how many accounts will transfer to Fidelity from the SERP with TIAA. Then the most equitable manner of allocating the fee to plan participants can be selected.



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What am I paying my current recordkeeper for administrative fees?*

Fund Balance	TIAA
\$500	\$0.65
\$1,000	\$1.30
\$5,000	\$6.50
\$10,000	\$13.00

*Based on weighted average calculations which vary based upon the individual's investment fund mix; your specific current fee could be higher or lower. Fees are annual.



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What is an investment fee?

Investment fees

- You pay these fees for fund management and related services assessed as a percentage of assets you have in an investment fund. These are disclosed in the fund prospectus.
- You pay for them in the form of an indirect charge against your account because they are deducted directly from your investment returns. Your net total return is your return after these fees have been deducted.
- The new core fund line-up selected by the CSU Retirement Investment Committee chose best in class funds with competitive performance and investment fees.



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What am I paying my current recordkeeper (TIAA) for investment fees?*

TIAA				
Current Fund Name	Current Expense Ratio	New Fund Name	New Fund Cost	Annual Cost Savings For \$1,000 Investment
TIAA CREF Social Choice	0.32%	Vanguard FTSE Social Index	0.12%	\$2.00
CREF EQUITY INDEX R3	0.16%	Fidelity 500 Index Fund	0.02%	\$1.40
TIAA CREF Mid Cap Value	0.60%	Victory Sycamore Established Value	0.54%	\$0.60
TIAA CREF Lifecycle Fund 2020	0.54%	Vanguard Target Retirement 2020	0.08%	\$4.60
TIAA CREF Large Cap Value	0.60%	Dodge & Cox Stock	0.41%	\$1.90
			TOTAL	\$10.50

*These examples represent the current fund and the mutual fund assets will be mapped to as a sample comparator of current and future investment fees.



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How can mutual funds be transferred to Fidelity?

- This will happen automatically through a fund mapping process
 - Like fund will be transferred to a like fund
 - Fund mapping details can be found at:
www.myfidelitysite.com/CSU
- As the sponsor of the plans, the University has a fiduciary responsibility to plan participants and the ability to direct the transfer of mutual fund assets



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Why can't annuities be automatically transferred?

- Annuities are individual contracts between a participant and the insurance company - TIAA
- Contact TIAA for options preceding the transfer if you have annuities in your investment selections



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Fidelity Investments

Discusses the Education and
Transition Process



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Get ready for the move to Fidelity

- About Fidelity
- Fidelity Team
- Transition to Fidelity
- How Fidelity can help
- Questions



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About Fidelity

Market Leadership

- Retirement is our core business
- Privately held organization founded in 1946
- \$3 billion annual technology investment for last 10 years
- Established brand and trusted reputation

Tax-Exempt Market

- Dedicated business unit serving public sector and other tax-exempt entities
- Expertise with 403(b), 401(a), 415(m) and 457 plans
- 22-year average tax-exempt client tenure¹
- 99% tax-exempt client retention rate²



¹ Fidelity Investments® recordkeeping data as of December 31, 2022.

² Fidelity Investments® average client retention rate as of December 2022. Please note that our methodology includes losses attributable to multi-product clients who maintain one or more products with Fidelity while deconverting another. Additionally, our calculation excludes clients who deconverted as part of a corporate action activity (i.e., merger and acquisition).

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Fidelity Team

Samuel Casad



Stephen Maloney



- One-on-one consultations
- On-campus visits, including high visibility with departments
 - Lory Student Center help desks
 - Ask Fidelity sessions
- Virtual and in-person availability



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Transition to Fidelity

- Because you have a student employee account in the SERP with TIAA, a new plan account will be established for you at Fidelity
- After the transition you can log on to your Fidelity NetBenefits® account to:
 - View investments transferred
 - View investment elections for future contributions
 - Designate beneficiaries
 - Select communication preferences
 - Access tools and resources



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Transition to Fidelity, cont.

- All SERP mutual fund contributions will be directed to your new plan account at Fidelity
- Access to change your investment mix, utilize online planning tools, videos, and workshops
- Schedule an in-person or virtual consultation
- Call Fidelity's experienced phone representatives
- Stop by a Fidelity Investor Center



Investor Center products and services are offered beyond your employer-sponsored retirement plan.

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How Fidelity can help

- Transition communications
 - Sent via email
 - Posted on the transition website at www.myfidelitysite.com/CSU
 - CSU Retirement Plans Review webpage at <https://hr.colostate.edu/retirement-plans-review/>
- Watch for details to attend an Ask Fidelity session
- Watch for key dates and additional details for when the transition details will be provided



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CSU and Fidelity are here to help

CSU HUMAN RESOURCES

970-491-6947

myhr@colostate.edu

<https://hr.colostate.edu/retirement-plans-review/>

FIDELITY INVESTMENTS

Talk with a phone representative

800-343-0860

Schedule one-on-one appointment

getguidance.fidelity.com

800-642-7131



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Questions?



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Important Fidelity information

Investing involves risk, including risk of loss.

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Thank you



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Annuity transfer questions?

Annuity vs mutual funds 101

FAQs:

- How to know if you have an annuity
- What happens to my annuity after the transfer?
- What do I need to know when deciding about whether to transfer an annuity?
- Is there an incentive for Fidelity consultants to tell me to move my annuities?
- How soon should I decide?
- What steps do I take to transfer annuities?

Questions to ask Fidelity and my current investment company (TIAA or Corebridge)



[https://hr.colostate.edu/
transfer-an-annuity/](https://hr.colostate.edu/transfer-an-annuity/)

