



2016 - Upcoming Changes to the UMass Supplemental Retirement Program

As you may know, the University sponsors and administers supplemental retirement plans for its employees. You may also know that the regulatory environment, as well as the fiduciary landscape, has been changing for Plan Administrators. These changes require the University to continue to re-think how our programs are offered. Accordingly, the University is implementing the below described modifications to our plans with the intention of bringing the University in line with widely held best practices for retirement plans.

Today, faculty and staff have the option of participating in the University's 403(b) Voluntary Retirement Plan (Plan). The Plan currently offers an extremely broad array of investment options from numerous different vendors, which has made it difficult for the University to fulfill its fiduciary role of monitoring investment performance and vendor fees, in addition to providing the level of retirement education our participants deserve.

In an effort to improve our programs, from both the perspective of the participant and the administrator, the University's Supplemental Retirement Plan Investment Committee (the "Committee") recently launched a competitive procurement process to select a single vendor as the primary plan provider for the University's supplemental retirement plans. Assisted by Cammack Retirement Group, an independent, registered investment advisor, the Committee selected Fidelity Investments as its primary retirement plan provider. The Committee also selected TIAA-CREF as a secondary provider in order to maintain access to some of TIAA-CREF's proprietary investment options. Other existing record keeper relationships are scheduled to be discontinued sometime in 2016. These changes will better position the University to manage the plans more cost-effectively and take advantage of operational and technological efficiencies. The new model will focus on improving participants' experience by providing a simplified plan design that offers a limited number of high quality investments, state of the art recordkeeping services, retirement planning guidance and education to better prepare our participants for retirement.

The benefits of the new plan include:

- The Committee is looking at a much larger universe of mutual funds, to develop a more streamlined and efficient investment lineup. The lineup will be comprised of high quality and competitively priced funds, which will likely include a small number of funds from Fidelity, TIAA-CREF and other funds available in the mutual fund marketplace.
- Enhanced participant services and improved administrative efficiencies, making it easier for employees to manage their retirement accounts.
- Reduced overall administrative/participant costs.
- Significantly improved employee communication, education and assistance with any conversion or maintenance activities resulting from this change.

These changes will impact all plan participants. Therefore, we view this as a great opportunity and encourage all employees to re-engage in your retirement planning and to take a fresh look at your savings rate and investment choices. Also, it is important to note that these changes will not affect your participation in the Commonwealth's State Retirement System, the Optional Retirement Program (ORP), the Commonwealth's SMART Plan or retirement accounts from employers, other than the University.

The University recognizes that not all participants are the same. Although the majority of our participants will benefit from implementing a best practice approach that provides an investment lineup with appropriate oversight, the University also recognizes that some employees may still want access to a much larger selection of investment options. For those participants who do not believe they need the oversight provided under the plans, a self-directed brokerage account option will be available, providing access to additional mutual funds.

In the coming weeks a series of communications containing detailed information about the changes to the University's plans will be sent directly to all employees. In addition, group educational seminars and individual meetings have been scheduled and are enclosed with this mailing. These sessions will further explain the plan changes and to offer counseling on retirement planning. These educational sessions are at no additional cost to participants. Fidelity has committed to provide the University all necessary resources to help achieve a high level of success and satisfaction with the plan changes. A list of plan seminars is included with this communication. Please feel free to start reserving a spot today!

For additional information, please refer to the attached Frequently Asked Questions, which can also be found on our website at <http://www.umassp.edu/403b-enhancements>.