



Upcoming Changes to the University's Supplemental Retirement Plans: Frequently Asked Questions

What is changing?

The University's contracts with our existing investment providers/recordkeepers recently expired, which required the University to initiate a new competitive procurement process for our plans. Assisted by Cammack Retirement Group, an independent, registered investment advisor, the University's Supplemental Retirement Plan Investment Committee (the "Committee" or the "Investment Committee") selected Fidelity Investments as its primary retirement plan provider (or "Master Recordkeeper"). The Committee also selected TIAA-CREF as a secondary provider in order to maintain access to some of TIAA-CREF's investment options. All other vendor relationships are scheduled to be discontinued sometime in 2016.

Why is the University making this change?

As a Plan fiduciary, the University is charged with carrying out our duties for the exclusive benefit of plan participants and beneficiaries. To do so we must assure that the fees charged to participants under the plan are reasonable with respect to the services being provided. We must also select, and then monitor, the investment options to assure they meet and continue to meet the needs of the Plan participants. This is accomplished by reviewing fee and performance metrics in accordance with the University's policies, procedures and Plan rules.

Who is impacted?

These changes will impact all Plan participants. The implementation of these changes will provide an opportunity for, and encourage, all employees to re-engage in their retirement planning; and to take a fresh look at their savings rate and investment choices.

Do I need to do anything at this point in time?

No action is required at this time. In the coming months, a series of communications containing detailed information about the changes and any actions you may need to take will be sent directly to all eligible employees. All existing participating employees will need to reenroll in the Plan and select their investment options. Therefore, we view this as a great opportunity to reengage in your overall retirement planning. Specifics about the reenrollment process and default investment process will be communicated in the enhancement guide, which will be mailed sometime around mid-February. However, we want to assure you that Fidelity will be available to provide support on-site, over the phone and online.

Can I opt out of these Plan changes?

No, all accounts are scheduled to transfer to the new recordkeeper model in the spring of 2016. If you are eligible to take a distribution from the plan, you may choose to withdraw your account prior to transfer. This includes rollovers of all or a portion of your account into a new employer's plan or an IRA. You will receive information on transfer dates in plenty of time to take action.

Can I withdraw all or part of my account?

As is true under the current Plan, you may only make withdrawals if you are no longer working for the University of Massachusetts or if you are age 59-1/2 and a participant in the University's Elective Deferral 403(b) Plan. A participant's ability to make withdrawals is not affected by these Plan changes.

Will my 457(b)/SERS/ORP plan be discontinued or impacted?

No, this change only pertains to the University sponsored Defined Contribution Plans. These changes will not affect your participation in the Commonwealth's State Retirement System (SERS), the Optional Retirement Program (ORP), the Commonwealth's 457(b) SMART Plan or retirement accounts from other (or previous) employers.

Will the amount I am now contributing under the Plan continue?

Yes, although the investments are changing, your current election amount will remain the same unless you actively make a change before the new recordkeeping model is fully implemented. Again, you will receive additional information in plenty of time to take action.

Will I be able to keep my current investments?

The investment line-up is being finalized by the University's Investment Committee. The Committee is comprised of voting members from Human Resources, Finance, Treasury, General Counsel and is supported by Cammack Retirement Group, an independent registered investment advisor. All plan participants will need to go through the plan's reenrollment process. If your current investment(s) is part of the new line-up, you will still need to go through the reenrollment process and select the applicable investment(s) from the new line-up. If your current investment is not part of the new investment line-up, you may still be able to access that fund through a self-directed brokerage window, which will be a new option provided under the plans.

What does the new investment line-up look like, how many funds will there be, will they all be Fidelity funds?

The decision to move to Fidelity as the Master Recordkeeper was made independent of the investment choices. It was based on among other things, the value and quality of services each vendor (that responded to and participated in the University's procurement process) could provide.

The analysis and selection of the investment options is a separate process. Cammack Retirement, independent registered investment advisor, is assisting the Investment Committee to determine the new fund line-up based on fees and historical performance. Although a small number of Fidelity funds may be retained, the Committee is looking at the much larger universe of mutual funds in order to select a line-up comprised of high quality and competitively priced funds. The new recordkeeping model that we are implementing allows for open architecture when designing the investment line-up for the plan. In other words, we are not limited to offering only funds of the Master Recordkeeper/primary provider.

The fund line-up will be communicated in early 2016 in the “Enhancement and Transition guide”.

Will the fund line-up ever change?

Cammack Retirement, independent registered investment advisor, will continue to assist the Investment Committee with reviewing the funds and their historical performance. The fund line-up will be reviewed periodically to ensure funds are of a high quality and competitively priced. Based on these reviews, it is possible that changes could be made in the future to the plan’s fund line-up, if and when warranted.

Can I invest outside of the University line-up?

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 line-up 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 Plan, a self-directed brokerage account option will be available, providing access to additional mutual funds. Funds accessed through the brokerage window will not be under the fiduciary oversight of the University; and will not be monitored by the Committee.

Will there be a period of time when I cannot make changes?

In order for the balances to be transferred, there will be a short time period when no changes will be allowed. This will include investment option changes, paycheck contribution changes, loans, and hardship, age 59½ and separation withdrawal requests. This period will likely be in early spring 2016. This period of time is typically referred to as a “blackout” and will be communicated in advance, so you have time to make any changes or requests beforehand.

Will we still have reps?

Yes, we will have Fidelity Workplace Planning and Guidance Consultants dedicated to University, as well as TIAA-CREF representatives for any of the TIAA-CREF funds that are retained under the plans.

Will Fidelity representatives be onsite?

Yes. Fidelity’s Workplace Planning and Guidance Consultants will be dedicated to University, and will be onsite during the transition period and beyond. You will be able to schedule one-on-one in person appointments via the phone or on the web. There is additional financial planning help available via phone and in-person at local Investor Centers.

When will I be able to start scheduling one-on-one appointments?

Please see the enclosed UMass Retirement Plan Enhancements Meetings Schedule for scheduling one-on-one appointments and town hall meetings at your UMass campus/location. These sessions are at no additional cost to participants.

Does the University profit from this relationship or from the changes proposed?

The University does not profit from this relationship or from any future enhancements/changes to the plan. Currently, certain University sponsored plans accumulate plan assets known as Revenue Credits. These funds can only be used by the University in its role as Plan Administrator to pay plan expenses, such as legal fees and investment consultants. Any Revenue Credits remaining at the end of a plan year are distributed to the accounts of our plan participants. If you were eligible, you may have noticed these Revenue Credits added to your account over the last couple of years.

These FAQs will be updated throughout the process. Please feel free to visit our website anytime during this transition/enhancement for updates.