



IU Human Resources

Retirement Program Enhancements

INDIANA UNIVERSITY

Why Consider Retirement Plan Changes?

- **Desire to benefit employees** by going out to Request for Proposal (RFP) for our retirement plans to:



**1) Lower
Fees**



**2) 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, the IU Supplemental Early Retirement Plan (IUSERP), 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

Caltech

George Washington University

Harvard University

Johns Hopkins University

Loyola Marymount University

Minnesota State Colleges & Universities

Michigan State University

Northwestern University

Oregon University System

Pepperdine University

Purdue University

Stanford University

University of Colorado

University of Miami

University of Minnesota

University of Notre Dame

University of Oklahoma

University of Pittsburgh

University of Utah

University of Washington

Yale University



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HUMAN RESOURCES

Tiered Investment Structure - Sample

Tier	Investment Structure Examples	Investment Knowledge	Desired Level of Engagement
1	Target Date Funds Target Date Retirement Funds (20XX)	Low	Low
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

Activities	2018					2019				
	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Meetings with the President's Cabinet, Chief Financial Officer, HR Steering Team, Faculty Councils, Professional Councils, and Union leadership to discuss the RFP and process	→									
Announcement of RFP			→							
Meetings at all campuses to provide faculty, professional staff, retirees, etc. with information			→							
Administrative Search to establish optimal relationship between cost and services provided by service provider(s)			→							
Announcement of Administrative Search results									→	



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