

## **Frequently Asked Questions - Upcoming 403(b) Supplemental Retirement Plan Changes**

### **Q1. Why is LSU making these changes?**

LSU is committed to making sure the benefits we offer keep up with the changing financial markets, but most importantly the increased need for financial security in retirement. The changes are being made with your financial future in mind, and will enhance your savings opportunities in our 403(b) supplemental retirement plan offerings. These changes will provide you with more streamlined investment choices, helping to simplify your retirement planning and decision-making. Finally, LSU was able to negotiate lower recordkeeping fees and investment fees on behalf of plan participants by making these changes.

### **Q2. Will these changes affect my ORP account?**

No. The fund lineup changes for Fidelity, TIAA, and VALIC will not affect the fund lineup for the Optional Retirement Plan (ORP) administered by Teachers' Retirement System of LA (TRSL). Additionally, the removal of VOYA as an active vendor for the 403(b) plan does not affect the ORP, VOYA will remain an active ORP vendor.

### **Q3. Why has there been a reduction in the number of investment options?**

The new structure has been designed to offer you a simplified method for making decisions and categorizing the investment options available through the 403(b) supplemental retirement plan offerings.

LSU adopted an Investment Policy Statement that establishes guidelines for investment options offered under the 403(b) supplemental retirement plan umbrella. The statement also incorporates accountability standards that are used for monitoring investment fund performance. LSU and its retirement consulting firm will monitor and review these funds on a regular basis.

### **Q4. What is "mapping"?**

Mapping refers to the process by which assets are transferred from one fund to another.

### **Q5. Will all funds be mapped the same?**

No, please see the mapping listed below by vendor:

#### **Fidelity**

If you are currently investing in the Fidelity Contrafund, those assets will stay in Fidelity Contrafund.

All other available assets will be mapped to the age appropriate Vanguard Target Retirement Date fund.

## **VALIC**

If you are currently investing in the VALIC Fixed Account, those assets will remain in the VALIC Fixed Account.

All other available assets will be mapped to the age appropriate Vanguard Target Retirement Date fund.

## **TIAA**

If you are currently investing in the TIAA Traditional or CREF Stock R2 funds, those assets will remain in those funds.

All other available assets will be mapped to the age appropriate Vanguard Target Retirement Date fund.

### **Q5. Where can I find out more about the new fund lineup offerings?**

Information regarding the new fund lineup will be available in upcoming communications by mail and electronically

### **Q6. What if I need help making investment choices?**

Several options will be available:

- 1) Contact the vendor for over the phone consultation
- 2) Visit the vendor's website for risk tolerance quiz and other tools
- 3) Visit with a vendor representative on campus

### **Q7. What should I expect from one-on-one counseling session?**

You should expect the counselor to ask about your risk tolerance and time horizon. The counselor will also need to get an idea about savings you and/or your spouse have elsewhere to get a full picture of asset allocation. Please bring copies of your statements so the counselor has the information needed. After taking all information into consideration, your counselor will help you come to a decision on how to invest your assets, as well as how much to invest in order for you to have the best opportunity to meet your retirement goals.

### **Q8. When can I meet with a vendor representative to discuss my questions/concerns?**

Enrollment and educational meetings will be scheduled during the months of August, September and October. Be on the lookout for additional information.

### **Q9. Do I currently pay fees as a participant in the 403(b) supplemental retirement plans?**

Yes, currently the fees are deducted from your return. Here's some information on the average costs for the existing Plans:

	<b>TIAA</b>	<b>VALIC</b>	<b>Fidelity</b>	<b>VOYA - no new contributions as of Fall 2018</b>	<b>Met Life - no new contributions as of Fall 2018</b>
CURRENT Recordkeeping Expense % (Avg)	0.165%	0.42%	0.20%	0.60%	0.75%
CURRENT Investment Management Cost % (Avg)	0.455%	0.40%	0.50%	0.49%	0.68%
<b>CURRENT Total Cost % (Avg)</b>	<b>0.62%</b>	<b>0.82%</b>	<b>0.70%</b>	<b>1.09%</b>	<b>1.43%</b>

For example, if you had an investment return of 6.62%,

With TIAA of after expenses of 0.62% were paid – you would see a 6% return on investment.

With VALIC after expenses of 0.82% were paid – you would see a 5.80% return on investment.

With Fidelity after expenses of 0.70% were paid, - you would see a 5.92% return on investment.

Please contact your vendor for specifics for the investments in your account.

### **How are these fees changing?**

The fund lineups are very similar between the 3 vendors under the new structure. You should consider the cost & services of each vendor. Cost is outlined below:

	<b>TIAA</b>	<b>VALIC</b>	<b>Fidelity</b>
Effective Fall 2018 NEW Recordkeeping Expense % (Avg)	0.125%	0.38%	0.13%
Effective Fall 2018 NEW Investment Management Cost % (Avg)	0.17%	0.17%	0.17%
<b>Effective Fall 2018 NEW Total Cost % (Avg)</b>	<b>0.295%</b>	<b>0.55%</b>	<b>0.30%</b>

### **Q10. Will I incur any surrender charges or market value adjustments as a result of the changes that are being made?**

No, you won't be assessed any charges for the changes being made.

**Q11. Do I have to wait until the end of the year to move my funds from VOYA or MetLife?**

No, you may move your balance at any time. Please contact VOYA or MetLife to learn about any restrictions that may apply to you rolling the money out of those contracts.

**Q12. Can I move my money to another account outside of the 403(b) plan now?**

No. Unless you have terminated from employment or have reached age 59 ½, the IRS does not allow the money to be rolled out of the 403(b) account to a different plan.

**Q13. Can I move my money from one 403(b) provider to another within the LSU plan?**

Yes. You can roll over your account from any current or former LSU 403(b) provider to one of the current providers (Fidelity, TIAA, or VALIC). Older 403(b) accounts may have fees associated with such transfers. Please check with your advisor to see if there will be any fees charged due to your transfer.

**Q14. What if I don't like the funds I've been mapped to? Can I change and choose other funds?**

Yes, you may change your investments at any time. Fund lineup information will be made available at a later date.

**Q15. I have an active 403(b) paycheck contribution to Fidelity, TIAA, or VALIC, do I need to do anything to continue my contribution?**

No. Your paycheck contribution will continue as normal.

**Q16. How do I change or set up my 403(b) paycheck contribution?**

Contribution changes can be made online at [myretirementmanager.com](http://myretirementmanager.com) (←specific location link). A [Quick Reference Guide](#) is available for assistance with the website.

**Q17. Will I need to update my beneficiary information?**

No, if you are currently contributing with Fidelity, TIAA, or VALIC you are not required to update your beneficiary information. BUT – it's always a good idea to update your beneficiary information because the designation overrides your will. If you've experienced a "Life Event" (e.g., gotten married, divorced or had a baby), you are strongly encouraged to update your beneficiary information.

**Q18. Will the vendors be setting up meetings at all locations? If so, will all the meeting dates be circulated so I can have our employees around the state attend the closest location to where they live/work?**

Yes. Enrollment and educational meetings will be scheduled during the months of August, September and October. Be on the lookout for additional information.