

**Human Resources & Inclusive Community
Staff Advisory Council, November 8, 2017**



UNIVERSITY *of*
DENVER



- **How is the DU retirement plan administered?**
 - The University offers a retirement plan under section 403(b) of the Internal Revenue Code to enable employees to invest in retirement via regular automatic payroll contributions.
 - For eligible employees who contribute 4%, DU will match that 4% contribution with an 8% match, for a combined contribution equal to 12% of the employee's salary. TIAA serves as our retirement plan provider.
 - As you know we have a wide variety of fund options. Of the 35 options only 7 are proprietary to TIAA.
 - DU has a Fiduciary Delegation Committee (FDC) appointed by the Board to administer the plan and ensure its compliance with federal law. Positional Appointments: Provost, Vice Chancellor of Business & Financial Affairs, Vice Chancellor for Human Resources & Inclusive Community
 - The plan is audited annually by an external accounting firm to ensure plan provisions are being followed and that federal tax laws met.
 - Multnomah Group serves in the role of fiduciary to the investment portfolio for the University of Denver. They provide investment research and advice to the FDC.

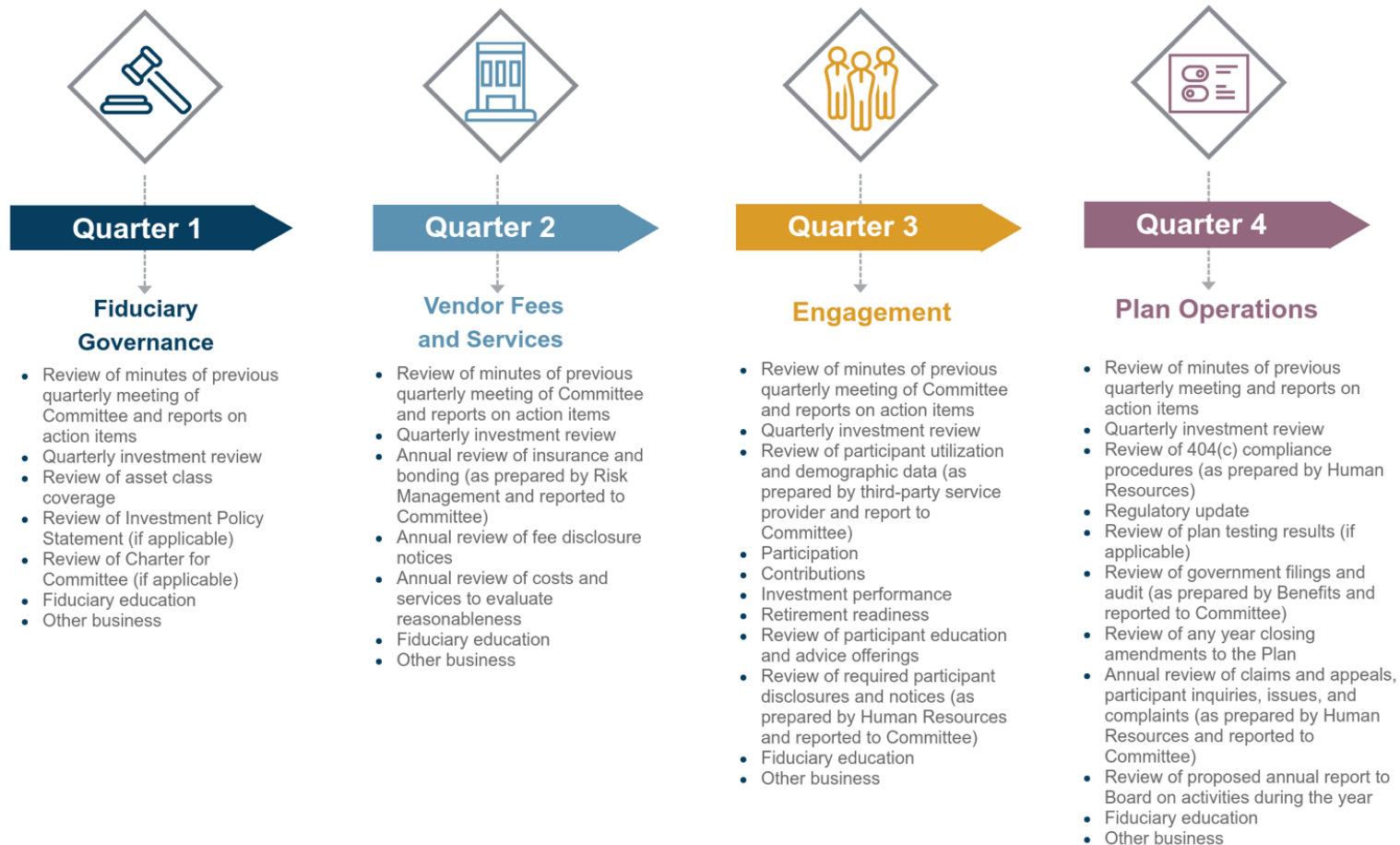


- **How did DU come to work with TIAA?**

- TIAA has been working with the DU since the inception of the plan in 1922.
- In 2011, because of changing federal regulations with respect to 403(b) plans, the university conducted a search to select a single provider to the plan.
- At the time, DU did not have a single provider, we worked with MetLife, American Century, Fidelity and TIAA.
- As the result of a competitive search process, the FDC, supported by a broad group of interested participants which included employee and faculty representation, selected TIAA as the best provider for DU and its participants.
- FDC meets quarterly to assess the health and competitiveness of the retirement plan.



- What happens at quarterly FDC meetings?





- **What is the impact of the allegations to DU and its plan members?**
 - There are a number of allegations accumulated in the NYTimes article. The FDC has been actively engaged in monitoring the fiduciary health of the University of Denver retirement plan. Each of the issues highlighted in the article are areas of focus for the FDC, which meets regularly to assess the Plan.
- **Were there additional communication from TIAA regarding the allegations of their employees allegedly making clients choose certain funds just to gain commission?**
 - We shared the statement from TIAA president, Roger Ferguson in the Bridge article. Our understanding is that the commission allegations in the NYTimes article were surrounding investment accounts outside of a retirement plan setting.
- **Is this going to affect how our plans at DU are run?**
 - Not at this time. The FDC evaluates the specific health of our plan and the vendors serving it. That process will continue. The NYTimes article highlights the importance of that work and we will monitor the situation accordingly.



- **What if there happens to be more legal action taken, is DU going to change their retirement plan structure?**
 - We are always looking out for the best interest of the retirement plan. The process of evaluation continues, even without the allegations.
 - DU periodically evaluates plan service providers. Whether DU continues its relationship with TIAA would be based on the best interest of the DU participant population.
- **Are the funds currently in DU retirement plan going to change or be affected because of the news about possible legal action with TIAA?**
 - DU made significant changes to our investment menu in early 2012. One of the benefits was that it gave the university far greater control over the investments we elect to use.
 - DU is **not** required to use any TIAA investment products & employees can invest in any products they wish within the plan.
 - **74% of the total plan assets are with investment managers other than TIAA**
 - Where TIAA investment products are available to participants, it's based on their merit relative other products from other providers.
 - E.g. in 2012 Vanguard replaced TIAA as the provider of our default target date funds.



- **What has DU already done or how our process differ from those identified in the class action litigation?**
 - The NYTimes article discussed class action lawsuits related to the governance of the retirement benefit programs.
 - Some of the primary complaints have had to do with the costs of multiple providers, failure to monitor, and lack of a competitive bidding process.
 - DU implemented best-in-class fiduciary governance and monitoring structure which included consolidating our providers and revamping our investment monitoring process.
 - The FDC conducted a fee benchmarking study and found plan expenses to be consistent with those available to clients in an RFP environment



- **If people have concerns about their own experiences with TIAA what are they supposed to do?**
 - Plan participants can evaluate their experience with a TIAA filed consultant. TIAA provides a report on the quality scores annually.
 - If you have an interaction with a TIAA representative that you feel was inadequate, you should report that interaction to the DU Benefits office.