



August 3, 2020

Ohio University will make a change to its retirement plan vendor options for participants in the ARP, 403(b) and 457(b) plans effective November 1, 2020. The change will reduce the number of vendors available to employees but also result in reduced investment expenses and fees charged to participating faculty and staff.

Information is available as follows:

- [Memo](#) [PDF]
- [Frequently Asked Questions](#) [PDF]

General Information

The driving factor for the change was legal guidance provided to the Ohio Inter-University Council (IUC) in 2017 clarifying that State of Ohio law places fiduciary duties on universities for retirement plans offered. Fiduciary duties require employers to take a more active role in oversight of retirement plan options. Based on that guidance and fiduciary best practices, Ohio University partnered with other IUC institutions to select an independent advisor to guide us through a process to meet the recommendations presented. After an IUC led RFP process, Cammack Retirement Group, was chosen to conduct a full review of 401(a) Alternative Retirement Plan (ARP), 403(b) retirement plan, and 457(b) retirement plan programs. To meet our fiduciary responsibilities and best serve employees, the review set out to:

- Simplify the ability for employees to review and compare retirement plan vendor options and fees by:
 - establishing an appropriate amount of investment options available from each ARP, 403(b) and 457(b) plan vendor, and
 - reducing the number of vendors offering ARP, 403(b), and 457(b) plans.
- Negotiate improved (lower) investment expenses and fees charged to Faculty and Staff participating in the ARP, 403(b), and 457(b) plans, where possible.
- Establish an ongoing process to monitor fees and expenses charged to employees and monitor the performance of investment options.
- Establish a Retirement Benefit Investment Committee to partner with Cammack to better position the university for fiduciary compliance.

In forming the Retirement Benefit Investment Committee, and aligning with best practice recommendations from IUC Advisor Cammack, the university sought faculty and staff members with focused expertise in investments and retirement plan administration, and related experience in serving on similar committees for employers. The Retirement Benefit Investment Committee members include David Gaume, Director of Investments; Andrew Fodor, Professor and Chair of

Finance – College of Business; Colleen Bendl, Chief Human Resources Officer; and Greg Fialko, Director of Benefits. This committee has a separate charge from the Benefits Advisory Committee (BAC) as it does not contemplate change to the employee benefit, but is focused specifically on the fiduciary duties of the University as it relates to the retirement plan investments. The BAC would be consulted should there be discussion related to the actual benefit level.

As part of this review and selection process guided by the IUC, Cammack and the Ohio Revised Code, current retirement plan vendors were provided the opportunity to submit proposals to continue to be a vendor at Ohio University. Four current retirement plan vendors were selected to continue to provide ARP, 403(b), and 457(b) plan services at Ohio University, and employees must choose from among these four vendors for contributions effective November 1, 2020:

- AIG-Valic
- AXA-Equitable
- TIAA
- Voya

Ohio Deferred Compensation will remain a 457(b) plan vendor.

These vendors currently provide retirement plan services to 90% of ARP participants, 68% of 403(b) participants, and 95% of 457(b) participants.

If you utilize a different vendor from those selected, your existing account balances may remain invested with your current vendor or you can transfer them to one of the selected vendors. Starting November 1, all new retirement plan contributions will be directed to one of the four selected vendors.

If you have worked with an independent advisor and would like to continue that relationship you should contact them to see how they can assist you with these changes and provide ongoing investment advisory services.

Starting in late August and September, the university will be distributing informational packets to current ARP, 403(b), and 457(b) plan participants and hosting information sessions to assist employees in understanding their options and how to transition to one of the four selected vendors and select appropriate investment options.

The attached Frequently Asked Questions document provides additional details. This FAQ clarifies the reason for the changes, the information you should expect to receive in the next few months, and what actions are required by you depending on your current retirement plan selection(s).

The State Teachers Retirement System (STRS), Ohio Public Employee Retirement System (OPERS) and Ohio Deferred Compensation are not impacted by this change.

Note: A solicitation email discussing these upcoming changes was distributed by an investment advisor associated with one of our current retirement plan vendors to a group of faculty and staff in advance of an official announcement from Ohio University. We regret any undue stress and/or confusion this caused for our employees. As we prepare comprehensive information packets to guide employees through the transition, Human Resources is available for questions that may have arisen from this unofficial communication.

If you have questions at this time, please email the University Human Resources – Benefits Office at benefits@ohio.edu