

SCFA RETIREMENT SUBCOMMITTEE
MINUTES OF MEETING
DECEMBER 5, 2005

[In these minutes: Discussion on adding Fidelity to the University's 401a Plan; TIAA-CREF/Rollovers; Retirement Plan Fiduciary Committee; Retirement Calculator demonstration/Retiree Module demonstration]

[These minutes reflect discussion and debate at a meeting of a committee of the University of Minnesota Senate; none of the comments, conclusions or actions reported in these minutes represent the views of, nor are they binding on, the Senate, the Administration or the Board of Regents.]

PRESENT: Daniel Feeney, chair, Gavin Watt, Barry Melcher, Jackie Singer, Chris Suedbeck, Richard Goldstein, Fred Morrison, Michael Murphy, Herbert Pick, Burt Sundquist

REGRETS: Carol Siegel, Kathryn Hanna, Dian Lopez

ABSENT: Gordon Alexander

GUESTS: Securian representatives Dick Manke and Laura Pierson

I). Professor Feeney called the meeting to order.

II). Member's discussed an email request from a faculty member who would like to see the University include Fidelity in its 401a plan. This individual feels that Faculty Retirement Plan (FRP) participants should be able to invest in Fidelity funds directly without going through Securian. Additionally, this individual expressed another concern, which deals with the inability to download investment information from the Securian website into software packages such as Quicken or Microsoft Money.

After a fair amount of discussion members came to the conclusion that:

- Implementation of the retirement calculator will address some of this individual's concerns.
- Once created, the Retirement Plan Fiduciary Committee will be in a better position to address these issues.
- Under the current plan design, free-floating plans are not permissible. Securian has been selected to administer the FRP. The SCFA Retirement Subcommittee receives feedback from a wide variety of FRP participants regarding their fund options, with some participants wanting additional choices and others who say there are too many options. As the plan is currently structured there is a good breadth of fund options.

III). Jackie Singer reported that TIAA-CREF moved to their new platform during the weekend of November 19th. Due to a programming error, contributions posted on November 23rd were posted incorrectly to new contracts and invested in the money Markey (default) fund. TIAA-

CREF is correcting the problem and reinvesting the funds appropriately. They are also contacting all of the impacted participants to explain the situation.

Ms. Singer has been in constant contact with Lisa Stitzel, director, Institutional Client Services – TIAA-CREF, to resolve this matter. In light of this problem, Ms. Singer recommends that the committee's earlier decision to permit rollovers be put on hold until accounts are reconciled.

Members suggested that Employee Benefits take a proactive approach to dealing with this problem, and contact affected Optional Retirement Plan (ORP) participants to make them aware of the situation. It was recommended that Employee Benefits communication to affected ORP participants highlight:

- The University was in no way, shape or form responsible for the problem, and that
- The University brought the problem to the attention of TIAA-CREF.

IV). Members unanimously endorsed a motion to approve the Retirement Plan Fiduciary Committee bylaws. This item will be forwarded to SCFA and FCC.

Members then spent a few minutes discussing the membership for the Retirement Plan Fiduciary Committee's at large positions. Professor Feeney stated that he was under the impression that there would be two representatives from the SCFA Retirement Subcommittee, the chair and one other individual, and that Civil Service and P& A would appoint their respective members. All idiosyncrasies relative to membership need to be written into the Retirement Plan Fiduciary Committee's bylaws. Chris Suedbeck was asked to make these changes, and Renee Dempsey, Senate staff, was asked to bring this matter to Gary Engstrand's attention for further insight.

In light of the fact that the membership verbiage will be added to the Retirement Plan Fiduciary Committee bylaws, a new motion to approve the amended Retirement Plan Fiduciary Committee's bylaws was put on the floor, which members unanimously approved.

V). Professor Feeney welcomed Securian representatives Dick Manke and Laura Pierson who were invited today to give members a demonstration of the revamped retirement calculator. Mr. Manke noted that this module is being brought before the committee for final approval. He added that while committee ratification is being sought for this module today, he views this tool as a work in progress. As time goes on modifications and improvements can and will be made to the module.

The module was demoed to the committee. Members suggested a few modifications to the module, which Mr. Manke and Ms. Pierson agreed to bring back to Securian programmers for incorporation into the final module.

Next, Ms. Singer shared the communication plan for rolling out the retirement calculator. She highlighted the following venues for publicizing the retirement calculator to the various employee groups at the University:

- Message in the December 31, 2005 FRP statement.
- The *Brief*.
- Year-end letter to FRP participants.

- Message in the March 31, 2006 FRP statement.
- CAPA, Civil Service and Bargaining Unit leaders would be asked to communicate this tool directly to their respective employee groups.
- Provide a link from the Employee Benefits website to the retirement calculator.

Ms. Singer solicited members' feedback on other communication ideas. A suggestion was made to broaden distribution of the year-end letter beyond FRP participants to include all employee groups. Ms. Singer expressed reservations about a hard copy distribution of the year-end letter to all employees because it is likely retirees will be overlooked. Instead she suggested that a blanket email be sent to communicate the retirement calculator to all employee groups, including retirees. Ms. Singer stated she would review and tailor the year-end letter for distribution to all employees.

Before concluding their presentation, Mr. Manke and Ms. Pierson briefly demoed the retiree financial calculator to wet the appetite of those interested in development of this module. Mr. Manke noted that the module is currently in its infancy, but a first iteration should be available sometime in early 2006 for comment/feedback.

Professor Feeney asked Professor Sundquist whether it would be possible to recruit a beta test group of four to five retirees to attend the April 3, 2006 Retirement Subcommittee meeting to provide feedback to Securian, in conjunction with Retirement Subcommittee members, on the retiree module. Mr. Sundquist indicated his willingness to solicit volunteers from the University of Minnesota Retirees Association (UMRA) to attend this meeting. A decision was made to dedicate an hour of the April 3, 2006 meeting to a demo of this module.

Prior to wrapping up the meeting, members expressed an interest in being able to update their beneficiary information online. Mr. Manke noted that currently beneficiary changes cannot be updated online, but rather participants must call Securian to update this information. He added that while it is possible to make this enhancement to the Securian website, administratively this would require a huge time commitment on the part of Securian staff. After much discussion, members requested that rather than Securian retrospectively entering the beneficiary information of approximately 10,000 participants online, that they consider, on a going forward basis, to design their website to allow participants to enter their beneficiary information.

VI). Hearing no further business, Professor Feeney adjourned the meeting.

Renee Dempsey
University Senate