
The University Senate

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UNIVERSITY OF MINNESOTA

Senate Committee on Faculty Affairs (SCFA) Retirement Subcommittee February 28, 2022 Minutes of the Meeting

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 represents the views of, nor are they binding on, the senate, the administration, or the Board of Regents.

[In these minutes: Update from Fidelity]

PRESENT: Myles Shaver (chair), Paul Bolstad, Roland Guyotte, Kathleen Krichbaum, Aaron Schmidt, Thomas Shier, Andy Whitman, Anne Ehrenberg, Aileen Lyle, Jill Lane, Raymond Muno, Ken Larson, Krisann McMahon, Mary Rohman Kuhl

REGRETS: Carol Rachac, Andrew Parks

ABSENT: None

GUESTS: David Bruce, vice president managing director, Fidelity Investments

OTHERS: Lori Stotesbury, John Brentnall, Nora Hayes, Libby Stille, Ruilin Li, Jeff Altringer

Chair Myles Shaver welcomed the committee, and members introduced themselves.

1. Update from Fidelity - Shaver introduced David Bruce, vice president managing director, Fidelity Investments, who provided an update on a number of topics connected to the partnership between Fidelity and the University. Bruce presented a [slide deck](#) and highlights were as follows:

- Fidelity is a leading retirement services provider in the higher education industry. Fidelity is seeing a continuing trend of defined contributions. 97% of institutions offer defined contribution (DC) plans to their employees.
- 52% of employers offer a contribution design of 10% or more. The average employer contribution is 8.9%. When plans mandate an employee contribution, the average employee mandatory contribution is 6%.
- Fidelity aims to bring a holistic approach to financial wellness and create engagement opportunities for the workforce. University employees were very active in 2021 in interacting with Fidelity tools, including the web portal, group events, and one on one planning sessions.
- As of Q4 2021, the University had 22,557 individuals participating in the retirement plan with assets totaling over \$6.63 billion.

- About 82% of employees have actively engaged with their plan accounts, beating Fidelity's goal of 80% of employee engagement.
- With concerns about retirement mounting, Fidelity plans to engage more pre-retirees. 60% of employees say retirement preparation makes them feel stressed. 79% of employees are worried they won't have enough money to last their lifetime.
- Fidelity plans to offer tools to help with all stages of retirement including planning, transitioning, and living in retirement.
- Multiple automatic withdrawal options give employees choice, customization, and flexibility. The NetBenefits program helps employees compare pay strategies and select the withdrawal option that's right for them.

Bruce further commented that changes in customer service were necessitated by the COVID-19 pandemic. At this time, Fidelity is working to get back to more in-person interactions. Tom Shier commented that he personally had some poor experiences over the phone with connecting to an appropriate representative. He added that once he got to the appropriate person, they did a great job, but a 30-40 minute wait is not very acceptable. He further emphasized that some of these interactions could be better suited for online engagement.

Shaver asked how the size of the University's portfolio compares to comparable institutions in Fidelity's book of business. Bruce indicated that the University is around the top ten of tax-exempt institutions in Fidelity's plan sponsors. The University of California is the largest. Shaver further asked how younger employees are engaged with their plans. Bruce stated that he would follow up with more information.

Andy Whitman asked if live webinars are recorded. Bruce indicated that they are not typically recorded but Fidelity does offer some pre-recorded on-demand workshops on their website. Whitman further asked about gender-based issues in annuities where it is possibly more advantageous for males to buy an annuity due to taxes. Bruce replied that it depends on the established personal account. Whitman added that further spousal communication is very important looking toward the future.

Hearing no further business, the meeting was adjourned.

Chris Kwapick
University Senate Office