



Oregon Public Universities Retirement Plans Fall 2016 Newsletter



BENEFIT FAIRS

It's that time of year again! We are excited to announce that staff from Retirement Plans Management will be attending each of the campus Benefit Fairs. Our team will be traveling to each campus and hosting a table to promote our retirement plans. We are also planning for our record-keepers, TIAA and Fidelity Investments, to be in attendance as well.

Here is when we will be at your campus:

University of Oregon	Monday, October 3, 2016
Oregon State University	Tuesday, October 4, 2016
Western Oregon University	Thursday, October 6, 2016
Southern Oregon University	Wednesday, October 12, 2016
Oregon Institute of Technology	Thursday, October 13, 2016
Eastern Oregon University	Wednesday, October 19, 2016
Portland State University	Thursday, October 20, 2016

Look for the logo below and stop by our table and say hello. We would love to meet you!



In this Issue

- 🍁 Benefit Fairs: See when one is coming to you!
- 🍁 Knowing Your Limits: Ensuring you don't over-defer
- 🍁 Milestones: Check your Journey Map and see if you're on track for lifetime savings success
- 🍁 Mutual Fund Expense Ratios and Basis Points
- 🍁 TIAA – Meet with a Consultant: See what benefits meeting with a finance professional can afford you
- 🍁 TIAA – Voice Biometrics, a new way to authenticate
- 🍁 Fidelity – New “Managed” Accounts! Bringing you a new way to save





KNOWING YOUR LIMITS



The end of the year is approaching quickly. With the changing of the seasons, we wanted to remind you about a potential pitfall when it comes to your 403(b) retirement plan. Due to IRS requirements, participants are only permitted to contribute \$18,000 per year to their 403(b) and 457(b) plans. (These include pre-tax and Roth contributions). However, if you are age 50 or older, this limit is increased by \$6,000 which allows for catch-up contributions. This means that if you are under age 50, you can contribute \$18,000 to your 403(b) plan, and \$18,000 to your 457(b) plan. If you are age 50 or older, you can contribute \$24,000 (\$18,000 + \$6,000 catch up amount) to each plan.

If you exceed your contribution limits, and the excess is not returned by April 15th of the following year, you may be subject to double taxation. This occurs in the following way:

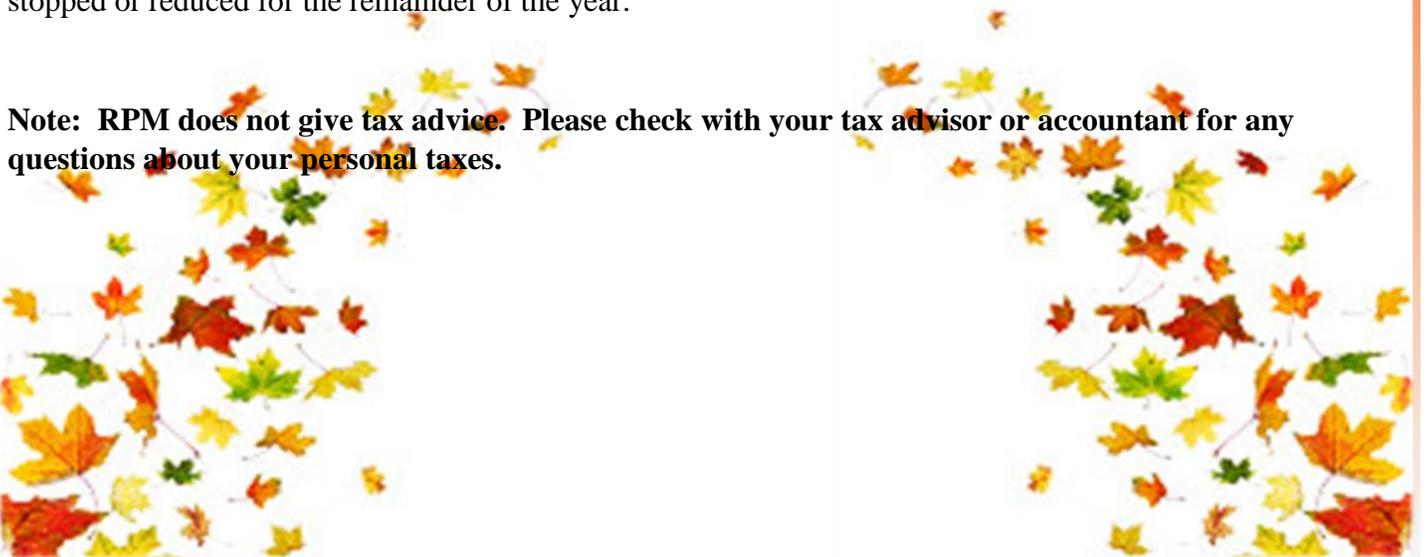
- Once in the year you deferred your salary, and
- Again when you receive a distribution

Source: IRS <https://www.irs.gov/retirement-plans/how-much-salary-can-you-defer-if-you-re-eligible-for-more-than-one-retirement-plan>

Although your school's payroll department has been effective at recognizing these limits in the past, it is best to be proactive in your money management routine to ensure that nothing falls through the cracks. It is also important to recognize that some employees may have worked for more than one employer in the past year. If the other employer has a retirement plan, it is crucial to understand how those contributions affect your annual limits. Your school's payroll department rarely has access to this information, and cannot protect you from an over deferral in this situation.

If you feel that you are nearing your annual limit, please complete a new Salary Reduction Agreement and get it to the payroll department at your school as soon as possible to arrange to have your contributions stopped or reduced for the remainder of the year.

Note: RPM does not give tax advice. Please check with your tax advisor or accountant for any questions about your personal taxes.





FINANCIAL MILESTONES

Beginning in infancy, we are monitored to ensure that we reach certain milestones. However, milestones don't only apply to our childhood. In retirement planning, it is important to take note of milestones and adjust your finances accordingly.

Where do you and your finances fit on the milestone path? Just as we learn how to save money when we get our first allowance, we also learn the importance of saving for retirement. Save money now, and spend the money on something better in the future.

When we get a salary increase, it is very tempting to go shopping for new electronics, or to upgrade to a fancy new car. However, is this the wisest choice? All of these things typically decrease in value over time. In contrast, by putting away money in a retirement plan, it is possible for your investment to actually increase in value, sometimes dramatically.

It is equally important to determine what you want to do in retirement. Do you want to travel the world? Travel frequently to another state to visit your children and grandchildren? Take up a new hobby? You will need to adjust your finances now to make these plans a reality in your future.

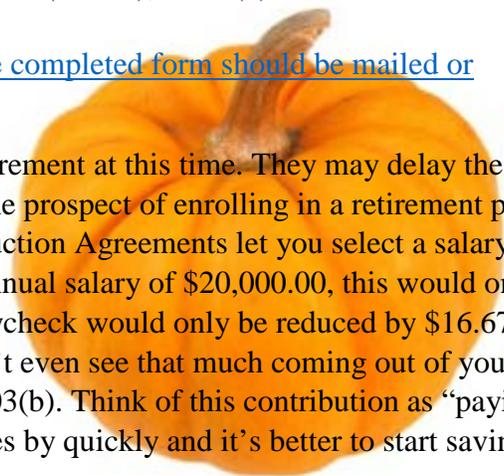
People often ask what our biggest piece of advice is when it comes to retirement. Each and every time, we reply that it is important to start out as early as possible when saving for retirement. We also feel that it is important to take advantage of retirement plan opportunities offered by your employer.

In the university system, almost every employee is eligible to participate in the TDI 403(b) plan. To enroll in our 403(b) plan, go to either: TIAA – <https://www.tiaa.org/public/tcm/opurp>; or Fidelity- <https://nb.fidelity.com/public/nb/opurp/home> and sign up.

Then complete a Salary Reduction Agreement, and submit it to your Benefits Department. A link to the form can be found here: <https://www.opurp.org/sites/opurp1.uoregon.edu/files/SRA.pdf>

You are also eligible to contribute to the Oregon Savings Growth Plan (OSGP), a 457(b) Plan administered by PERS. Those enrollment forms can be found here: <http://www.oregon.gov/pers/OSGP/docs/enrollmentpacket.pdf>. The completed form should be mailed or faxed directly to OSGP.

Some people may feel that it is not important to start saving for retirement at this time. They may delay the process, or may choose not to contribute at all. Others might find the prospect of enrolling in a retirement plan confusing or overwhelming. The good news is that our Salary Reduction Agreements let you select a salary deduction as little as one percent. This means that if you have an annual salary of \$20,000.00, this would only be \$200.00 per year. Broken down further, this means that your paycheck would only be reduced by \$16.67 per month. And if you are contributing on a pre-tax basis, you won't even see that much coming out of your check! You may also contribute on an after-tax basis in the Roth 403(b). Think of this contribution as "paying yourself" and preparing for your future financial security. Time goes by quickly and it's better to start saving sooner than later.





Oregon Public Universities

Retirement Plans



YOUR WHOLE STORY

Early Years

0 – 20 Years

We build friendships, learn how to learn, and push beyond our families. We look out the windows of our schools and dream of the things we will do and the lives we will lead.

Adulthood

21 – 64 Years

We fall in love with our careers, our towns, and our families. We choose our paths, and build our nest eggs. We work hard to provide for our needs, and we work smart to provide for our retirement.

Retirement

65 – ∞ Years

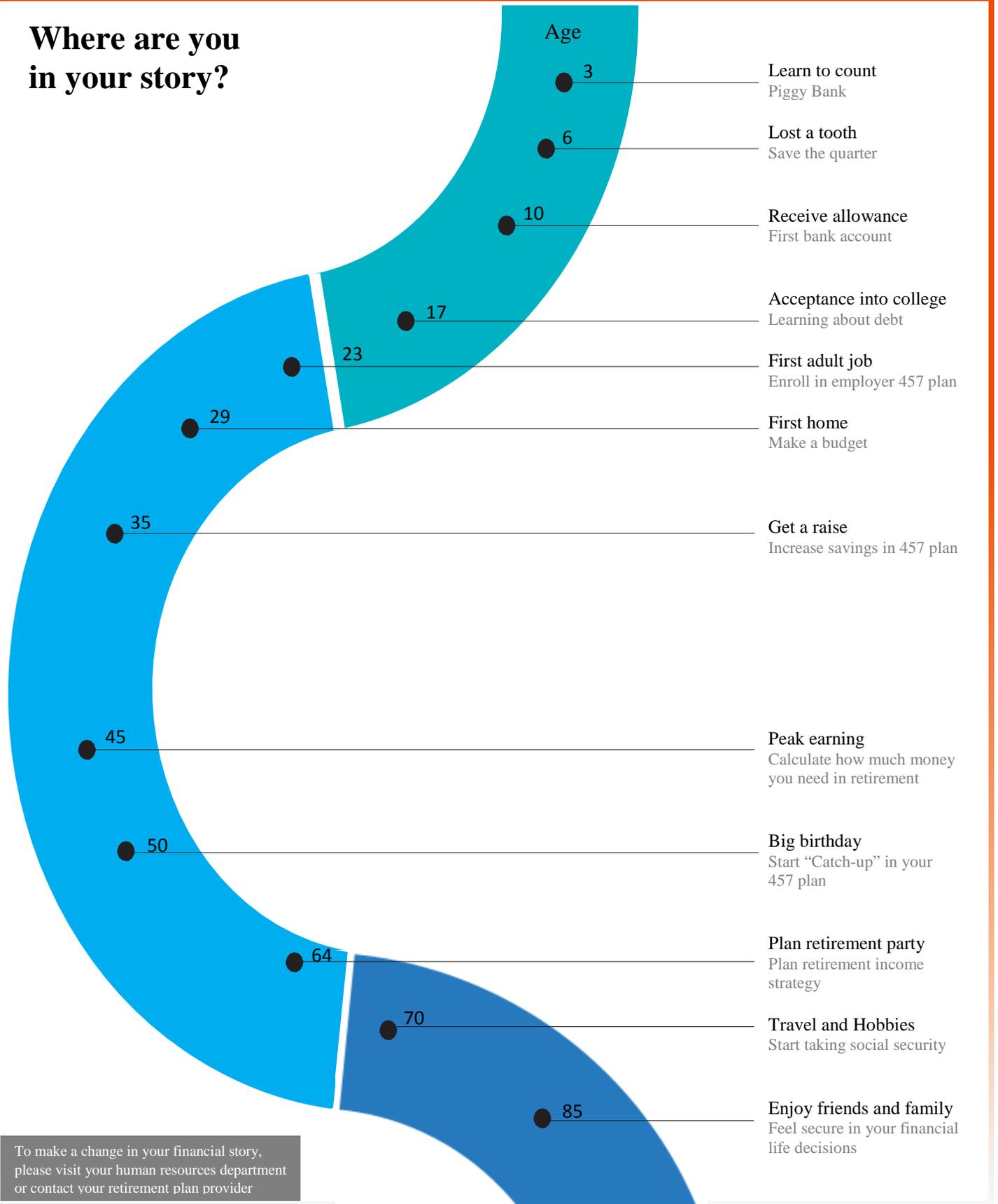
There's a good chance we'll spend as much or more of our lives in retirement as we did working. But these are not the shuffleboard years. They're years of sports, travel, exploration, new careers, and making our dreams come true.

NATIONAL
RETIREMENT
SECURITY WEEK

Sponsored by NADICA
The Issue of Public Sector
Defined Contribution Plans



Where are you in your story?



To make a change in your financial story, please visit your human resources department or contact your retirement plan provider



Mutual Fund Expense Ratios and Basis Points

The primary cost component of a mutual fund is the expense ratio. This is the amount that is charged to the fund by the fund company for running the mutual fund.

Expense ratios are expressed as a percentage of the fund. For example, assume Fund A has an expense ratio of 0.75%. The 0.75% expense ratio is the annual expense/charge that is paid by the fund on the amount invested in the fund.

For example, if you have \$10,000 invested in a fund with an expense ratio of 0.75%, your total annual cost based on the expense ratio would be as calculated below:

$$\$10,000 \times 0.75\% = \$75.$$

Basis Points

You often hear people in the financial industry talk about fund expenses in terms of basis points. A basis point is 1/100 of one percent, or 0.01%. 25 basis points is 25/100 of one percent, or 0.25%. In the example above the expense ratio was 0.75% or 75/100 of one percent, which is the same as 75 basis points.

Below are some examples of expense ratios converted to basis points:

- 1.50% = 150 basis points
- 1.00% = 100 basis points
- 0.75% = 75 basis points
- 0.50% = 50 basis points
- 0.01% = 1 basis point.

So, while the term “basis point” can be confusing, it is just another way of expressing the expense ratio cost of a fund. The key thing to remember is that 1 basis point equals 1/100 of one percent. Thus there are 100 basis points in 1%. So the next time you hear the term basis point, think of it as an expression of hundredths of a percent.

Fees can have a large impact on your overall earnings, so when choosing a fund, be sure to review the expenses. Some funds, particularly annuities, not only charge investment fees, but also have separate account fees that range between 0.25% and 1.25%, in addition to the expense ratio. Always review the fund prospectus or fund fact sheet. According to the Department of Labor’s guidebook entitled [A Look at 401\(k\) Plan Fees](#): “Assume that you are an employee with 35 years until retirement and a current 401(k) account balance of \$25,000. If returns on investments in your account over the next 35 years average 7 percent and fees and expenses reduce your average returns by 0.5 percent, your account balance will grow to \$227,000 at retirement, even if there are no further contributions to your account. If fees and expenses are 1.5 percent, however, your account balance will grow to only \$163,000. The 1 percent difference in fees and expenses would reduce your account balance at retirement by 28 percent.”



Meeting with a financial consultant can help build confidence that your retirement plan is on track

As an employee of an Oregon Public University, you can receive one-on-one investment advice and guidance* on the plan's investment options. And best of all, this service is available at **no additional cost** to you! Consider doing what more than 500 of your colleagues did last year and take advantage of this valuable retirement plan benefit.

Why should I meet with a financial consultant?

During your investment advice and guidance session, a financial consultant will help you answer three questions:

- How much should I save?
- Where should I invest?
- Am I on track to meet my income needs in retirement?

Where are the meetings held?

The financial consultants come to you! They are typically on campus 2-3 days per month. To see their schedule, visit [TIAA.org/schedulenow](https://www.tiaa.org/schedulenow). Select Oregon and then search for your location.

How long does a meeting last?

We schedule meetings for one hour. This allows you and the consultant time to discuss your current financial situation and goals, and answer any questions you may have. Based on your conversation, the consultant will help you evaluate a retirement portfolio that's tailored to your goals and risk tolerance.

What should I bring with me?

In order to give you in-depth advice, try to bring the following documents (for you and your spouse or partner, if applicable) to the meeting:

- Statements for accounts outside of TIAA (usually investment, savings, bank and other retirement plans)
- Your Social Security estimate (if you have a recent one)
- Estimated living expenses now and after retirement (or a recent pay stub)

If you don't have all these documents, don't let it stop you from scheduling a meeting. Your financial consultant can help estimate these items to get you started.



What can I expect after the meeting?

Our overall goal is to help you feel more informed and confident about your savings plan. You'll receive a personalized advice report with specific recommendations to help you meet your retirement goals. You'll also receive a survey about your meeting, which helps TIAA assess if the financial consultant put your needs first, as well as your overall experience. In fact, when surveyed after an advice session in 2015, 97% of Oregon Public University participants said they agreed or strongly agreed that financial consultants put their needs first.

Who are the financial consultants?

There are three financial consultants serving the Oregon Public Universities:



Braden Danielson



Patrick Egan



Rebecca Rohleder

What if I'm unable to meet in person?

You can receive the same financial advice and guidance over the phone or online. To meet with a TIAA financial consultant over the phone, simply call 800-842-2252 weekdays, 5 a.m.–7 p.m. (PT) or Saturdays, 6 a.m.–3 p.m. (PT). Or, you may use the online advice tool at [TIAA.org/retirementadvisor](https://www.tiaa.org/retirementadvisor).

How do I schedule a 1:1 meeting?

To schedule an appointment or if you have any questions, call TIAA at 800-732-8353, weekdays, 5 a.m. to 5 p.m. (PT). Or, sign up online at [TIAA.org/schedulenow](https://www.tiaa.org/schedulenow).

*Using an advice methodology from Morningstar Investment Management, LLC

You should consider the investment objectives, risks, charges and expenses carefully before investing. Please call 877-518-9161 for current product and fund prospectuses that contain this and other information. Please read the prospectuses carefully before investing.

TIAA-CREF Individual & Institutional Services, LLC, Teachers Personal Investors Services, Inc., and Nuveen Securities, LLC, Members FINRA and SIPC, distribute securities products. Annuity contracts and certificates are issued by Teachers Insurance and Annuity Association of America (TIAA) and College Retirement Equities Fund (CREF), New York, NY. Each is solely responsible for its own financial condition and contractual obligations. Investing involves risk of possible loss of principal.

Investment, insurance and annuity products are not FDIC insured, are not bank guaranteed, are not deposits, are not insured by any federal government agency, are not a condition to any banking service or activity, and may lose value.



Use your voice as your password when you call TIAA

TIAA recently launched Voice Biometrics®, an authentication tool that identifies you by using your natural voice patterns on the Automated Telephone System (ATS – 800-842-2252).

Voice Biometrics Benefits:

- The tool provides an extra layer of security and enhances authentication. A voiceprint is not a recording, rather a numeric sequence representing the shape and size of your vocal tract, which is compared each time you call. Voiceprints are encrypted and cannot be used to gain access to any other system.
- There is no need to remember passcodes or security questions.
- The authentication process will become quicker by using an easy-to-speak generic passphrase, such as “My voice is my password, please verify me.”



Voice Biometrics Enrollment:

All Oregon Public Universities Retirement Program participants will have the option to enroll in Voice Biometrics using Automated Telephone System or using Agent Assisted services. When enrolling you will be prompted to:

- Enter a one-time passcode sent to you via text message.
- Agree to the term and conditions for Voiceprint identification.
- Repeat a phrase which will be used to capture your Voiceprint.

Eligibility:

To Enroll in Voice Biometrics, you must meet all of the following four requirements:

1. Must have active secure web user ID
2. Minimum of one active retirement account (may have a zero balance)
3. Domestic residential address
4. No active Power of Attorney or Authorized Party on file (*After successful enrollment in Voice Biometrics, you may add an authorized party if desired*)



Additional Information:

- Voice biometric data is used solely to verify your identity as a TIAA customer so you can access your account. TIAA will not disclose your biometric data to any third party, unless required by law or with your consent. They protect your biometric data with operational, administrative, technical and physical security safeguards in accordance with applicable law.
- You may opt-out or deactivate your consent to use your voiceprint at any time.
- Only one voiceprint is allowed per account and is reserved for the account owner.
- If you are unable to complete enrollment your call will be directed to a TIAA representative for additional assistance.



**Oregon Public Universities announces the addition of
Portfolio Advisory Services for all participants**

What's a managed account and how does it work?

Beginning September 16, 2016, Oregon Public Universities will be teaming with Fidelity Investments to offer a managed account option along with your current investment choices. This new option is entitled Portfolio Advisory Services.

With this managed account option, Fidelity's team of professionals work with you to set up an investment plan offered through Oregon Public Universities that fits your personal situation and goals. They'll monitor your investments and partner with you to adjust them as your life or the world around you changes.

To learn more take these 2 steps:

1. Watch a short video at <https://fidelity.com/professionalmanagement>
2. Have a one-on-one conversation with a Fidelity Representative at 1-800-642-7131.

Special Offer: If an Oregon Public Universities Plan Participant signs up for this service by November 23, 2016, a 50% discount for 180 days will offered on the fees. A participant can unenroll at any time, with no additional cost.

Portfolio Advisory Services charges a fee of no more than 0.57% of your managed model portfolio.

Please feel free to contact a Fidelity representative about this new service at 800-642-7131, Monday through Friday 5:30 a.m. - 9:00 p.m. Pacific Time.

Investing involves risk, including the risk of loss.

Fidelity® Portfolio Advisory Service *at Work* is a service of Strategic Advisers, Inc., a registered investment adviser and a Fidelity Investments company. **This service provides discretionary money management for a fee.**

You may cancel at any time with no cancellation fee.

Fidelity Brokerage Services LLC, Member NYSE, SIPC, 900 Salem Street, Smithfield, RI 02917