Oregon Public Universities
Tax Deferred Investment 403(b) Plan and Optional Retirement Plan
Fee Policy Statement

This fee policy statement identifies and categorizes the costs of operating the Oregon Public Universities Tax Deferred Investment 403(b) Plan (TDI) and Optional Retirement Program (ORP) (the "Retirement Plans", "Plans", or "Plan"). It is intended to assist the Retirement Plans Investment Committee (the "Committee") in meeting its fiduciary obligations to the Plans and the participants and beneficiaries ("participant(s)") by keeping costs reasonable, and to inform Plan participants of the costs of the Plan, and by which parties those costs are paid.

Plan Administration
Oregon Public Universities Retirement Plans (OPURP) are administered by a director and supporting staff. The Committee, which meets regularly with the OPURP director and staff, has as one of its responsibilities, "*Monitoring the reasonableness of fees that are charged to Plan assets, including but not limited to investment management fees, recordkeeping fees, and fees paid to other Plan service providers from Plan assets*."[1] As specified in the Investment Policy Statement, an investment consultant (the "Consultant") is engaged to advise and provide informational support to the Committee.[2] The Consultant is a co-fiduciary with the Committee.

Categories of Costs
Costs associated with the Plans can be usefully categorized as shown below:[3]

1) Plan administration costs

A. Costs of operating the Retirement Plans office, including salaries, benefits, office equipment, supplies, and other standard operating costs are billed to and paid by the participating employers (universities). These costs are not paid from Plan assets, except that some Plan costs may be paid from forfeitures when available.[4]

B. Costs of investment administration, including the Consultant/co-fiduciary fee, Investment Committee meeting costs, communication costs, benefit fair participation by OPURP staff, and Retirement EXPO costs are paid for from Plan assets via Plan participant fees that are charged to Plan participant accounts, denoted as an "Administrative Fee", currently levied quarterly. Revenue-sharing payments received from Plan investment options may also be used to pay for Plan expenses.[5] Committee members do not receive compensation for serving on the Committee. Committee members can receive reimbursement for direct costs incurred that are related to Committee responsibilities, including travel to Committee meetings, education/training programs, and participation in Committee-related conferences.

[1] See Investment Policy Statement, section II.A.4. A broader listing of the Committee's responsibilities is identified in the Investment Policy Statement.
[2] See the Investment Policy Statement for specific consultant responsibilities.
[3] Subsequent paragraphs provide additional detail regarding some of these costs.
[4] Forfeitures are the non-vested portion of a former employee's Plan account balance.
[5] Some Plan investment options make payments to recordkeepers based on a portion of the revenue earned from the investment option being utilized by Plan participants. These payments are known as revenue-sharing. Revenue-sharing payments can be remitted to the Plan sponsor for use in paying approved administrative Plan costs, and/or can be paid directly to the affected Plan participant accounts.

2) Plan recordkeeping costs

The Plan recordkeepers, selected by the Committee, receive compensation for their management of account recordkeeping and for their communication responsibilities to Plan participants. These costs are charged to participant accounts, denoted as a Recordkeeping Fee, currently levied quarterly.

3) Investment Fund costs

Investment Funds incur costs that are passed on to fund investors. These costs are reported as (annual) expense ratios by the fund. They are not levied directly and separately to fund investors; instead, they are reflected in the fund's share price and thus fund return performance (i.e., share prices are investment value net of fund costs). For mutual funds, these costs consist of management fees, and for some funds a distribution fee. For annuities (insurance contracts), costs included in the expense ratio are fees for management services, and a fee (usually called a "mortality and expense risk charge") for the insurance commitments in the contract.[6] Additionally, although not called a fee, some investment funds may collect revenue in the form of "spread"[7]

4) Participant-Specific Transaction costs

Some transactions, generally initiated by a participant, involve costs that pertain exclusively to that participant's account. Fees for those account-specific transactions are charged to the participant's account. Such transactions include, but are not limited to, loan initiation and maintenance, self-directed brokerage window activities, and participant-selected managed account services.

The Committee reviews costs in categories 1B, 2, 3, and 4 identified above on a regular basis. Administrative fees, recordkeeping fees, fund expense ratios and participant transaction fees are evaluated against financial industry norms. Reasonableness of fees informs and influences Committee decisions regarding hiring, retaining, or replacing the consultant/co-fiduciary, adding, retaining, or replacing a recordkeeper, and adding, retaining, or replacing an investment fund on the Investment Fund Menu.

Cost (Fee) Structure(s)

Fee amounts and fee structures are the result of negotiations between the Plans and Plan recordkeeper(s). As a consequence, the structure of Plan recordkeeping costs (paragraph 2 above), and the fee amounts for participant-specific transaction costs (paragraph 4 above) may differ across Plan recordkeepers.

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[6] Some investment funds do not fall neatly into either category. For example, the TIAA Traditional Annuity is a Guaranteed Insurance Contract, which unlike mutual funds and variable annuities, is not an investment under federal securities laws. It does not include a specifically identified expense ratio. TIAA provides estimated annual expenses in their Investment Fee and Expense Disclosure Report.

[7] In fixed annuities, spread is the difference between the rate earned from the annuity's investments and the declared (guaranteed) rate paid to Plan participants who have purchased the annuity.

Assignment of Costs to Plans
Because OPURP administers both the TDI and ORP plans, and because the Plans may utilize more than one recordkeeper, costs identified in paragraph 1B above that span both plans and recordkeepers must be assigned (allocated). Assignment of these costs is guided by the principle that there be no cross-subsidization across Plans or recordkeepers. Current practice is to assign these costs pro rata with Plan assets.

Costs Related to Maintaining a Reserve Balance
Administration of the Retirement Plans includes maintaining a reserve balance account, managed by the Retirement Plans director. The Reserve account is necessary to ensure that funds are available to pay Plan costs when they are incurred and due. Inflows to the Reserve account come from the Administrative Fee from Plan participants (quarterly). Outflows (see paragraph 1B above for examples) occur at differing times. The Plans' Administrative Fee is set at a level that is expected to cover anticipated Plan outflows, and to maintain a prudent Reserve account balance to accommodate timing differences between inflows and outflows, as well as to provide for unanticipated Plan costs.

Appendices
Costs, including investment fund costs, participant-specific transaction costs, and the structure of Plan recordkeeping costs differs across Plan recordkeepers. Details of costs for each recordkeeper, prepared by the recordkeeper and provided by the recordkeeper to the Plans, are located in separate appendices.

FIDELITY

Fidelity ORP Fees

Fidelity TDI Fees

TIAA

TIAA ORP Fees

TIAA TDI Fees

COREBRIDGE

Corebridge ORP Fees

Corebridge TDI Fees