



Oregon Public Universities Retirement Plans

Spring 2017

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Retirement Resources and Calculators

Planning for retirement should be exciting. However, it is sometimes difficult to gauge whether you have met your anticipated milestones at the correct times. Luckily, there are some helpful resources available that can assist you in obtaining a broad picture of what your retirement income could look like. Below are some ideas that might be useful to you when planning for retirement, no matter your current age.

Fidelity and TIAA retirement advisors are excellent resources and can discuss your retirement goals with you and assist you in formulating a savings plan. Fidelity and TIAA regularly have one-on-one appointments available if you would like an in-person meeting. To schedule an appointment with a Fidelity or TIAA representative, please utilize the following links:

Fidelity: <https://nb.fidelity.com/public/nb/opurp/contactus/schedule-a-meeting>

TIAA: <https://publictools.tiaa-cref.org/public/publictools/events/meetingatworkplace?employerId=1-736D>

Both Fidelity and TIAA have websites that provide valuable online calculators. If you use these calculators and then want to discuss the results, the next step would be to reach out to your plan provider.

Fidelity: <https://www.fidelity.com/calculators-tools/fidelity-retirement-score-tool>

TIAA: <https://www.tiaa.org/public/calcs/retirementgoalevaluator>

VALIC: <https://www.valic.com/education-center/tools-and-calculators/retirement-planner-calculator>



When entering your information into the online calculators, it is important to include all sources of retirement income that you will rely on in your retirement, so don't forget to include income sources such as:

- Optional Retirement Plan (ORP)
- 403(b) Plan
- Oregon Savings Growth Plan (OSGP)
- PERS/OPSRP
- IAP Funds (if you are a PERS/OPSRP member)
- Social Security Income
- Retirement Funds from Other Employers (Such as 401(k)'s, SEP-IRA's etc.)
- Other Retirement Plans, such as Roth IRA's



Another valuable resource for information is the Social Security Administration. If you go to <https://www.ssa.gov/planners/benefitcalculators.html>, there is a full page of calculators to assist you in your retirement planning needs.

With retirement planning, the golden rule is to begin saving earlier, rather than later. By utilizing the resources listed in this article, you will have tools that will not only help get you started, they will also assist you in making adjustments as you move through your working career.

Fidelity Fee Changes & How They Affect You

Important: This change affects only participants whose ORP 401(a) and/or TDI 403(b) accounts are held with Fidelity Investments.

The Oregon Public Universities Retirement Plan Investment Committee has worked with Fidelity Investments to optimize the fees in the plan to be more equitable for all participants. On top of this change, the ORP and TDI plans have several funds moving to a lower cost share class, and/or moving to a fund with a lower cost ratio. Those funds are as follows:

1. Fidelity Money Market Trust – Fund Change with Cost Reduction – Moving to Vanguard Federal Money Market Fund.
2. Fidelity Contrafund – Share Class Change with Cost Reduction.
3. Fidelity International Index Fund – Share Class Change with Cost Reduction.
4. JP Morgan Small Cap Growth Fund – Share Class Change with Cost Reduction.
5. Metropolitan West Total Return Bond Fund – Share Class Change with Cost Reduction.
6. Victory Integrity Small Cap Value Fund – Share Class Change with Cost Reduction.



7. Fidelity Freedom K Target Date Retirement Funds (13 funds) – Fund Change with Cost Reduction. The Fidelity Freedom K Target Date Funds are being replaced by the Fidelity Freedom Index Target Date Funds – Institutional Premium Class.

As for the new fee allocation, we are moving away from revenue share funds, which have provided the bulk of recordkeeping and administrative fees until now, and are implementing an equal cost structure, wherein the fees are spread equally to every participant. This new structure will mean participants see a new line item on their statements, but this does not mean they are being charged a completely new and additional fee. If you were participating in a revenue share fund prior to this change, fees were coming out of your account based on your funds in that account; wherein you will now be charged a flat fee that will be easy to see on your statement. This change strives to make the plan costs more transparent and equitable.

Your new fee structure is as follows:

- Recordkeeping Fee – \$62 per year (\$15.50 per quarter)
- Administrative Fee – \$20 per year (\$5.00 per quarter)

TIAA and VALIC plans will be undergoing a similar change in the future.

To those participants in BrokerageLink®:

If you are currently more than 95% invested in the Fidelity BrokerageLink®, you will be required to move at least 5% (or \$500, whichever is less) of your funds back into the core line-up in order for you to cover your portion of the fees. You should have received a communication from Fidelity regarding moving the funds. If the change were not made or before March 31, Fidelity made that transfer for you and transferred \$500 or 5% of your BrokerageLink® account to the Target Date Fund most closely associated with your retirement age. Once the money has been moved to that fund, you may move it to other funds in the core line-up. Future allocations going into the BrokerageLink® will also be limited to 95% of your monthly contribution, so you will need to choose a fund or funds for the other 5% or it will go into the Target Date Fund. New participants will also be restricted to allocating or transferring a maximum of 95% of their contribution or plan assets.

The 95% limitation is necessary to assess the plan fee across all participants.

If you have any questions about the fee changes or BrokerageLink® limitations, please call Fidelity at 800-343-0860.



April is National Financial Literacy Month

National Financial Literacy Month is a great opportunity to help improve your financial know-how and build confidence to pursue your financial goals. Even if you're not an expert you can still feel more confident when it comes to investing.

Consider these four steps.

ONE

Smart investing starts with a **solid grasp of the basics**. Compound interest and regular contributions are keys to investing through a retirement plan.

- **Compound interest** is when you earn interest on your interest—and that may mean more money for you. It's never too late to start saving, but the sooner you start, the more compounding is likely to help your money grow.



Steve contributed \$50,000 more than Cathy, but started 15 years later. At age 65, Cathy had \$232,418 more than Steve. Saving early has its advantages when it comes to compounding. Hypothetical illustration only. Not intended to represent the past or future performance of any investment. Assumes contributions are made monthly at a 6% annual effective rate, compounded monthly. Actual performance will vary with market conditions.

- **Dollar cost averaging** is when you contribute consistently and don't try to time the market. Research shows that making regular and consistent contributions throughout your career can potentially result in more money when you retire.¹

TWO

Contributing to a retirement plan can also help you take advantage of **potential tax benefits**.

TIAA's 2017 tax guide can help you understand how tax-deductible contributions work, along with much more.

Download the guide at: [TIAA.org/public/pdf/Tax_Guide.pdf](https://www.tiaa.org/public/pdf/Tax_Guide.pdf)

¹Dollar cost averaging does not assure a profit or protect against a loss in declining markets. Because such a strategy involves periodic investment, you should consider your financial ability and willingness to continue purchases through periods of low price levels.



THREE

Knowing how to **manage your money** can help you pursue financial goals like paying down debt, saving for retirement, buying a house or other priorities. Top 3 tips for managing your money:



Make saving for retirement a top priority. Each time you get a raise, add more to your plan. When you're 50 or older, add catch-up contributions.



Build an emergency fund. Have enough on hand to cover at least 6 months of expenses.

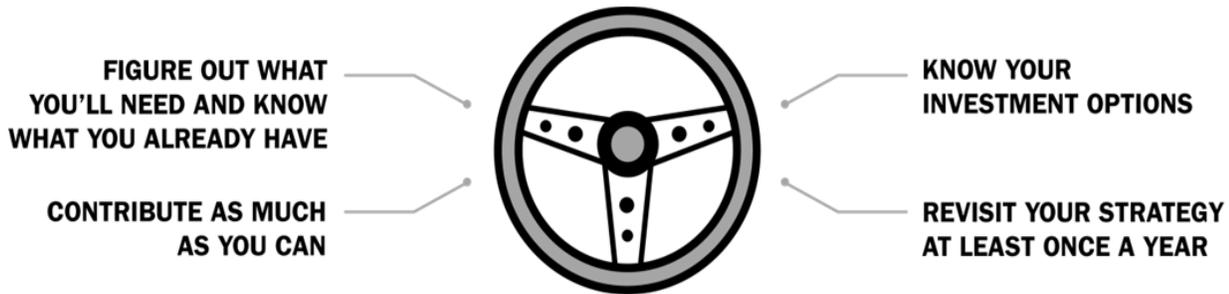


Plan for other financial goals. You probably have more than retirement on your mind. Prioritize your short- and mid-term goals.

Visit TIAA.org/nflm for other savings ideas!

FOUR

To make the most of your money, **create a plan** that helps you save and invest wisely and get the most from your employer benefits. Take control of your retirement!



No matter where you are in life, you can work with a TIAA consultant to create, adjust or review your retirement strategy.

Visit TIAA.org/schedulenow
Call TIAA at **800-842-2252**, weekdays, 5 a.m.-7 p.m. (PT)
or Saturday, 6 a.m.-3 p.m. (PT).



TIAA Share Class Update

On May 1, 2017, certain funds held with TIAA will be moved to a new, cheaper share class. This only affects the cost portfolio of the fund, not your money in the fund, but in the future your fees for participating in these funds should decrease.

Below is a table showing all of the funds that will be changed:

Current Investment Option	Ticker Symbol	New Investment Option	Ticker Symbol
CREF Bond market Account R2 (Variable Annuity)	QCBMPX	CREF Bond Market Account R3 (Variable Annuity)	QCBMIX
CREF Equity Index Account R2 (Variable Annuity)	QCEQPX	CREF Equity Index Account R3 (Variable Annuity)	QCEQIX
CREF Global Equities Account R2 (Variable Annuity)	QCGLPX	CREF Global Equities Account R3 (Variable Annuity)	QCGLIX
CREF Growth Account R2 (Variable Annuity)	QCGRPX	CREF Growth Account R3 (Variable Annuity)	QCGRIX
CREF Inflation-Linked Bond Account R2 (Variable Annuity)	QCILPX	CREF Inflation-Linked Bond Account R3 (Variable Annuity)	QCILIX
CREF Money Market Account R2 (Variable Annuity)	QCMMPX	CREF Money Market Account R3 (Variable Annuity)	QCM MIX
CREF Social Choice Account R2 (Variable Annuity)	QCSCPX	CREF Social Choice Account R3 (Variable Annuity)	QCSCIX
CREF Stock Account R2 (Variable Annuity)	QCSTPX	CREF Stock Account R3 (Variable Annuity)	QCSTIX

If you happen to be invested in any of the listed funds, you will receive a confirmation of any changes made to your account from TIAA around the week of May 1, 2017. The changes will also appear on your next quarterly statement.

Should you have any questions about these changes, please contact TIAA at 800-842-2252 and they can assist you.

For any questions or comments on our quarterly newsletter, please contact OPURP at 541-346-8574 or opurp@uoregon.edu. Plan resources can be found on www.opurp.org.