

Wake Forest University

Retirement Plan Update



WAKE FOREST
UNIVERSITY

Human Resources

Wake Forest 403(b) Retirement Plan with TIAA

- \$468M in Plan assets
- 4,414 Plan participants
- Pre-tax and Roth employee contributions
- 22 Investments with Brokerage Window option

Wake Forest Contributions

- 5% of eligible salary after 2 years of service
- 7.5% of eligible salary after 5 years of service
- 10% of eligible salary after 10 years of service

Faculty/Staff Contributions

- Eligible at date of hire regardless of employment status
- All new hires are auto-enrolled at 5% with the option to waive
- \$18,000 if under age 50, up to \$24,000 if age 50

Vesting

- All Wake Forest and Employee contributions are 100% vested immediately

Transition to TIAA in February 2016: Participation

- Approximately **900** (40% of full-time faculty & staff) attended an information session
- Approximately **115** (5%) visited a kiosk
- Approximately **100** (4.5%) scheduled an individual advice session

Fund Mapping

- All mutual funds were mapped to new funds based on fund characteristics. If characteristics were not similar, funds were mapped to Vanguard Target Date funds.
- Annuities were not mapped because the contracts were individually owned prior to transition.

Ongoing Fund Monitoring

- Retirement Plan Committee and CapTrust will continue to monitor new menu and update as needed based on fund performance.

Retirement Readiness

- Typically, a person needs **70 - 80%** of their current income in retirement
- Approximately **35%** may come from Social Security, leaving a gap of **35 - 45%**
- A portion of this will be reduced by WFU contributions, if eligible

Current Status

- **37%** of faculty and staff contribute to their retirement plan (1,073/2,887)
 - **58%** of faculty make contributions (388/662)
 - **30%** of staff make their own contributions (685/2,225)

Since the auto-enrollment feature was established in July 2016

	New Hires	Auto Enrolled	Opted Out	Changed Election
Count	171	134	15	22
% of Total		78%	9%	13%

Peer Institutions: Auto-enrollment

Peer Institutions	Plan Size	Contribution %	Group
WFU	\$468M	5%	New Hires
1	\$4.95B	5%	Both
2	\$1.57B	6%	New Hires
3	\$466.9M	1%	Both
4	\$4.6B	3%	New Hires
5	\$109.0M	3%	New Hires
6	\$213.6M	4%	Both
7	\$511.1M	2%	Both
8	\$109.8M	1%	New Hires
9	\$263.2M	3%	New Hires
10	\$116.0M	3%	New Hires
11	\$3.92B	2%	Both

Opportunity for Current Faculty & Staff

- Auto-enroll at 5% of their salary, if not making any contributions today
- Allow for an opt out or change feature, at any time
- Implement July 1, 2017