

# Wake Forest University

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## Human Resources Update



WAKE FOREST  
UNIVERSITY

**Human Resources**

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October 2015

## **403(b) Retirement Plan, established in 1938, has two parts:**

- Defined Contribution: Wake Forest contributions
- Tax Deferred Annuity: Faculty/Staff contributions

<b>Plan Statistics</b>	
<b>\$427M</b>	Plan Assets; 74% with TIAA-CREF (\$316M)
<b>4,212</b>	Plan Participants (active, retired, and inactive)
<b>75%</b>	Active Faculty & Staff receiving WF contributions (2,065)
<b>34%</b>	Active Faculty & Staff making their own contributions (941)

## **Summary:**

- Starting in 2010, the plan was subject to ERISA, which requires fiduciary oversight, annual filings, and audits.
- Many educational institutions, such as Yale, Vanderbilt, Stanford, Brown, Notre Dame, Rice, and Cornell, are performing full reviews on retirement plans.

## **Retirement Plan Committee:**

- Actively engaged committee, established in 2013:
  - Chair: Mark Welker
  - Voting members: James Cotter, Michele Gillespie, Hof Milam, Brandon Gilliland, Jennifer Killingsworth, Carmen Canales
  - Non-voting members: Jim Dunn, Brian McGinn, Angela Culler, Beth Fay
  - Consultant: Jim Strodel, plan co-fiduciary from CAPTRUST

## **Plan Review and Outcomes:**

- Reviewed all aspects of plan: plan administrators, plan design, participation, education, and literacy.
- Will move from multiple administrators to a single administrator, **TIAA-CREF**, in early 2016 but will continue to offer large investment fund choice.
- New investment tiers will provide advice for less savvy investors and flexibility for more engaged investors, including a brokerage option.
- New plan will provide best in class investments and lower fees which supports the University's commitment to financial wellbeing.

## Greatly improved participant experience with a single administrator, TIAA-CREF:

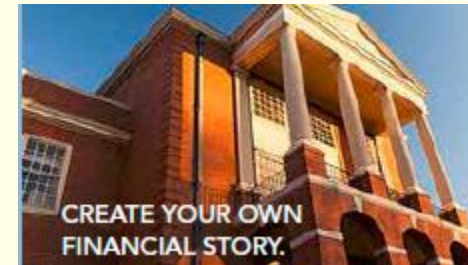
- WF-branded website and enhanced account management.
- Targeted plan participant education.

## Best in class investments from industry leaders in asset management for all investor types:

- Reduce menu of investments from 270 funds to 26 core funds.
- Core menu of investment options covering major asset classes.
- Low-cost 'target date' and index funds.
- Key TIAA and CREF annuities.

## Key Features:

- No change to WF contributions, plan eligibility, matching or vesting.
- More flexibility with self-directed brokerage.
- Roth option.
- Automatic enrollment for new hires beginning July 1, 2016 at 5% of base salary.



## Wake Forest Retirement Plan (26 core funds)

<b>Tier 1</b>	<b>Tier 2</b>	<b>Tier 3</b>	<b>Tier 4</b>
Allocation Solutions	Core Menu (index funds)	Core Menu (active management)	Brokerage window
Do it for me investor	Cost conscious options / Index investor	Best in Class / Engaged investor	Ultimate choice investor

## Timeline

FY15	Presentations to Faculty Senate and Staff Advisory Council.
October 21	Update to Faculty Senate and Staff Advisory Council.
January 4	Communication package mailed to faculty and staff homes.
January 25	Campus seminars, information desks, and one-on-one counseling sessions.
February 26	TIAA-CREF online system is available and will show new balances.