Last fall the University of Minnesota announced important changes to the Faculty Retirement Plan (FRP), 403(b) Optional Retirement Plan (ORP), and the 457(b) Deferred Compensation Plan (457 Plan) that will go into effect April 1, 2020. These changes will involve a transition to Fidelity as recordkeeper of the plans as well as a newly designed and streamlined investment fund lineup with investment offerings from fund managers like Securian, Vanguard, Calvert and JPMorgan.

You may have been left with concerns or questions about why the changes are being made, what exactly is changing and what you will need to do. We want to ensure that you understand the process that led the University to this decision and that you have the information you need about this transition.

Your retirement savings plan is an important benefit and you need the right information, resources, and support to help you make decisions with confidence.

**Q: Why is this change being made?**

A: As a provider of an employer retirement plan benefit, the University of Minnesota must continually exercise its responsibility as a fiduciary of the plans in order to improve all participants’ experiences in regard to plan access, simplicity, education, investments, costs, and ultimately retirement readiness. Over the last decade the structure of retirement plans has evolved with investments, technology, and vendors. This changing landscape has led to new best practice opportunities that the University of Minnesota should provide to participants.

The University undertook a significant project over the past two years that included a detailed, public University of Minnesota bidding process resulting in the selection of Fidelity as the administrative manager for the University retirement plans. Fidelity is a highly regarded vendor with a long history of partnership with the University of Minnesota and many higher education institutions.

Concurrent with the administrative manager bidding process, the University conducted robust, diligent, and thoughtful investment fund and asset allocation research—including thorough data collection and analysis—resulting in a new streamlined fund lineup of a new Target Date Fund provider and a low-cost core investment lineup of mutual funds. The University has also created enhanced personal choice through access
to Fidelity BrokerageLink®. The announced plan changes provide a streamlined fund lineup that will offer overall reduced and transparent fees and meaningful choice, making the University of Minnesota retirement plan offerings best in class.

Throughout this process, there has been and continues to be consultation through the University Senate committees.

Q: What is changing?

A: Effective April 1, 2020, the University of Minnesota will implement the following:

- Fidelity will be the single provider of administrative and recordkeeping services for the three plans: (1) Faculty Retirement Plan, (2) the Optional Retirement Plan, and (3) the 457 Deferred Compensation Plan.
- All new contributions will go to a Fidelity account and some current balances will transfer automatically to Fidelity.
- A new streamlined fund lineup will be available that will provide Target Date Funds and a low-cost core investment lineup of best-in-class mutual funds. Fidelity BrokerageLink® will also be available for those participants who wish to access additional choices beyond the target date funds and/or core fund lineup. JP Morgan will be the investment manager for the Target Date Funds. The Core Investment Lineup will include seven Vanguard funds, a Calvert ESG stock fund and bond fund, and the Securian General Account and General Account Limited. Given Fidelity’s role administering the plans, Fidelity will offer none of its own Fidelity investments in the Target Date Fund or core investment lineup.
- Administrative fees will be more transparent.
- Roth contributions will be available in the ORP.
- Rollovers from qualified plans will be available in the ORP.

Q: What is not changing?

- Contributions from the University to your Faculty Retirement Plan remain the same as today.
- The University of Minnesota is not cost shifting University expenses to participants. Participants in these plans have always been responsible for all costs associated with administration and investments, and this will continue to be the case.

Q: What will I need to do?

The University is encouraging all participants to decide on their investment elections under the new fund lineup either during the Early Choice Window (details below) or after the transition to Fidelity is completed. This change provides a great catalyst to reassess whether your current asset allocation and fund selection is in line with your risk tolerance and time horizon. However, for those who choose to do nothing, the University will “map” your assets to those funds in the new lineup that most closely match the investment strategy of your current funds.
Take advantage of opportunities to inform your decision-making process as this checklist indicates:

1. Review all information on the retirement plan transition website.
2. Ask questions through the Office of Human Resources (OHR) Contact Center (benefits@umn.edu, 612-624-8647 or 800-756-2363).
3. Attend an informational session in January if you have questions or want an in-person review. These will be webcast.
4. Thoroughly read the January mailing that will contain detailed information on this transition. (Eligible employees who are not participating in one of the impacted plans will receive a packet at a later date with information on the voluntary plans).
5. Make an appointment with Fidelity between January through March to discuss this change.
6. Decide if you are electing investments during the Early Choice Window, or if you are comfortable with the mapping strategy for your current investments.
7. Be aware of the blackout time period from March to April for the actual transition process.
8. Check your Fidelity account the week of April 12, 2020, to confirm the transition of your investments.
9. Ask additional questions after the transition completion in late April.

More detail on the checklist steps

Today

- Review the Retirement Plan Transition website. This site describes the full details of this transition including new investment fund options, frequently asked questions, a glossary of terms, and information both by plan and by current vendor.
- Reach out to the OHR Contact Center with your questions: benefits@umn.edu
- Attend one of the upcoming informational presentations in person or online.
  - Tuesday, January 21, St. Paul Campus, McNeal Hall, Room 33
    - 11 a.m. to 12:30 p.m.
    - 3 p.m. to 4:30 p.m.
  - Thursday, January 23, Bruininks Hall 220, East Bank
    - 8:00 a.m. to 9:30 a.m.
    - 3:30 p.m. to 5 p.m.
  - A follow-up email will be sent the week of January 13th providing further details on these sessions

Late January, 2020

- Review your information packet. It will arrive by mail to your home
address if you are currently participating in one of the plans. It will provide more details on what will happen, key dates, the new investment options, new plan features, and more. It contains:
- Discover Your Retirement Transition Guide
- Mapping Guide
- Faculty Retirement Plan Investment Options
- ORP and 457 Plan Investment Options
- Early Choice Window Instructions
- Participant Fee Disclosure Notice

- **Call or meet with Fidelity.** Look for an on-campus session or call Fidelity at 800-343-0860 to get your question answered or schedule a one-on-one over the phone.

**Available February 3, 2020 through March 17, 2020: Early Choice Window**

- **Decide how you want to invest.** The investment choices you make will be effective for (a) your current account balances at Fidelity, and (b) any balances transferring to Fidelity, and (c) future investment elections. Your decisions will be in effect at the time the transition is complete. The retirement transition chart maps out what is happening to all of the plans and investments, if you have questions.
- **Review the information packet** that will be mailed to your home in late January.
- **Make any changes** to your accounts held at Deutsche, Securian, or Vanguard (there will not be a blackout period at TIAA or Fidelity).
- **Call or meet with Fidelity.** Look for an on-campus session or call Fidelity at 800-343-0860 to get your question answered or schedule a one-on-one over the phone.
- **Additional opportunities to meet with OHR and Fidelity** are listed below.

**Week of April 12, 2020**

Assets that have transferred to Fidelity will transfer to the options you selected during the Early Choice Window, or will be mapped according to the strategy outlined in the Mapping Guide (provided in the January mailing).

**Q: What if I do nothing?**

If you choose to do nothing for your balances that are moving to Fidelity, and do not make any mutual fund elections for the new investment lineup, the University will “map” your FRP and 457 Plan assets from your current funds to the new fund lineup. Certain funds from Securian in the ORP as well as balances at Deutsche in the ORP will also “map” to the new fund lineup. “Mapping” means the University will direct the balances in the current fund lineup to those funds in the new lineup that most closely match the investment strategy of your current funds. There are current investments, such as with TIAA, that will not move to Fidelity, and there are current investments—the Securian General Account and General Account Limited—that are in the new
lineup. The University of Minnesota will move the assets that can be transferred because both the FRP and the 457 Plan are group plans. If you want to move your ORP assets to the Fidelity lineup, you will need to make this election yourself. Unlike the FRP and the 457 Plan, the accounts in the ORP are not part of an overall group plan but individual accounts. You can make the decision to transfer your current ORP assets during the Early Choice Window or at a later time.

**Learn More and Talk with Someone About the Upcoming Transition**

**On-Campus Sessions with Fidelity**

Register for an opportunity to participate in a group Retirement Transition Seminar, get a quick question answered at a Walk-Up Help Desk, or schedule a one-on-one consultation with a Fidelity representative. Look for details at [z.umn.edu/transition-events](z.umn.edu/transition-events). Mark your calendar for one of these dates:

- January 28, 29, 30, 31, 2020: UMN Duluth
- February 4 and 6, 2020: UMN Twin Cities in Minneapolis
- February 6, 2020: Ramsey County Public Library–Roseville (evening)
- February 11, 2020: UMN Twin Cities in Minneapolis
- February 12 and 13, 2020: UMN Crookston
- February 19, 2020: UMN Twin Cities in St. Paul
- February 26, 2020: UMN Rochester
- March 4 and 5, 2020: UMN Morris

**Investment Lineup**

This is a list of the investments that will be available after the transition. For more information, please see the Investment Information for All Plans page.

**Target Date Funds**

- JPMorgan SmartRetirement Blend Income Fund ([JIYBX](#))
- JPMorgan SmartRetirement 2020 Fund ([JSYRX](#))
- JPMorgan SmartRetirement 2025 Fund ([JBYSX](#))
- JPMorgan SmartRetirement 2030 Fund ([JRBYX](#))
- JPMorgan SmartRetirement 2035 Fund ([JPYRX](#))
- JPMorgan SmartRetirement 2040 Fund ([JOBYX](#))
- JPMorgan SmartRetirement 2045 Fund ([JMYAX](#))
- JPMorgan SmartRetirement 2050 Fund ([JNYAX](#))
- JPMorgan SmartRetirement 2055 Fund ([JTYBX](#))
- JPMorgan SmartRetirement 2060 Fund ([JAAYX](#))

**Core Investment Lineup**

- Vanguard Federal Money Market ([VMFXX](#))
Fidelity BrokerageLink®

The plans will also offer an open self-directed brokerage account where you can invest in any mutual fund on the open market that is administered on Fidelity’s platform.

Find Help

We’re excited about the transition and think it will make the plans much easier for you to use. We invite you to come talk to OHR and Fidelity at the upcoming in-person seminar events on every campus for answers to any questions you have.

You can also contact University Benefits by calling 4-UOHR (612-624-8647 or 800-756-2363) and select option 1 or you can send an email to benefits@umn.edu.

For questions about your current account, contact your current plan’s vendor.

This email was sent to all University employees eligible for the Faculty Retirement Plan, Optional Retirement Plan, or 457 Deferred Compensation Plan on behalf of Total Compensation within the Office of Human Resources on January 2, 2020, by Office of Human Resources, 100 Donhowe Building, 319 15th Ave SE, Minneapolis, MN, 55455, USA. Read our privacy statement.