



# Important Changes to the **Caltech Retirement Plans**

Effective October 2024

**Caltech**

**The Science of Benefits**  
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## Important Changes to the Caltech Retirement Plans Will Take Effect October 1, 2024

The changes include the way recordkeeping and administrative expenses are paid and how Plan Servicing Credits are credited back to applicable participants. Additionally, some investment options in the Plans' fund lineup will move to lower-cost investment classes effective October 3, 2024. These changes will affect the following Caltech retirement plans (each, a "Plan"; collectively, the "Plans").

What is changing?	Plans affected	Effective date
The way recordkeeping and administrative plan expenses are paid  Plan Servicing Credits, if applicable, will be credited back on a quarterly basis	<ul style="list-style-type: none"><li>■ Base Retirement Plan</li><li>■ Voluntary Retirement Plan</li><li>■ 457(b) Deferred Compensation Plan</li></ul>	October 1, 2024
Lower-cost investment class becomes available for CREF investments	<ul style="list-style-type: none"><li>■ Base Retirement Plan</li><li>■ Voluntary Retirement Plan</li></ul>	October 3, 2024

You are receiving this information because you have a balance in, or are eligible to participate in, one or more of the Plans. While you are not required to take any action, you should review this information to learn how the changes may affect your account(s).

## Retirement Plan Fee Overview

There are three types of fees associated with retirement plans—recordkeeping, administrative, and investment.

- **Recordkeeping.** These fees are paid to the Plans' recordkeeper, TIAA, for costs incurred in maintaining, administering and servicing participant accounts.
- **Administrative.** These fees are used to pay for the Plans' consultants, auditors and for legal expenses in order to manage the Plans for participants.
- **Investment.** Each of the Plans' investment options has a charge for investment management and associated services assessed by the investment managers (such as American Funds, Dodge & Cox, etc.). These investment fees are measured by an expense ratio. Expense ratios are reported as a percentage of assets.

## Methodology Change for Recordkeeping and Administrative Plan Expenses

### Plan Servicing Fee

Currently, the Plans' recordkeeping and administrative fees are paid from the revenue received with respect to certain funds held in the Plans, which means that the fees are not directly deducted from your account or reflected on your account statement.

Effective October 1, 2024, a direct fee, known as a "Plan Servicing Fee," will be collected from Plan accounts on a quarterly basis. This change ensures that participants pay the same amount and that these fees will be easier to see on your quarterly statements. The Plan Servicing Fee will be collected for each Plan in which you hold assets. However, in both the Caltech Base Retirement Plan and the Caltech Voluntary Retirement Plan, *no Plan Servicing Fee will be collected* for the quarter if your total balance per Plan (including any brokerage assets), as shown on the next page, is under \$1,000 at the end of the quarter.

The table below shows the Plan Servicing Fee amounts by Plan. Each Plan will incur just one Plan Servicing Fee, even if you have investments in multiple plan numbers within the same Plan. The Plan Servicing Fee will be collected on a quarterly basis as shown below, with the first one showing on your December 31, 2024, 4th quarter statement.

Plan Name (Plan Numbers)	Plan Servicing Fee
<b>Caltech Base Retirement Plan</b> (101205 and 403497)	\$7.25 per quarter (\$29 per year)
<b>Caltech Voluntary Retirement Plan</b> (403498)	\$7.25 per quarter (\$29 per year)
<b>Caltech 457(b) Deferred Compensation Plan</b> (101207, 403499, and 403518)	\$5.75 per quarter (\$23 per year)*

\* The 457(b) Plan has fewer administrative costs and, therefore, the applicable Plan Servicing Fee is lower.

The Plan Servicing Fee will be collected from each Plan and, for most participants, will appear as a flat fee that is displayed on your quarterly statement in the “*Your transaction details*” section. Additionally, the fee will also appear in the “*Summary of your portfolio activity*” section under the “*Fees*” line. Keep in mind that this section will display the total of all fees incurred for the quarter.

For some participants, the Plan Servicing Fee will be deducted (all or in part) from your quarterly Plan Servicing Credits, which are described in more detail below. This means that the Plan Servicing Fee may be partially visible or not visible at all on your quarterly statement, depending on which investments you have chosen. For more details about your specific plans and investments, please contact TIAA at **800-842-2252**.

### Plan Servicing Credits

Some of the investments offered under the Plans have a revenue-sharing component, meaning that the investment provider shares in the cost of administration. In some instances, the cost of administration is less than the revenue-sharing component, in which case the excess, called a “Plan Servicing Credit,” is allocated back to the participant. Historically, any Plan Servicing Credits were credited back to your account on an annual basis. Effective October 1, 2024, any Plan Servicing Credits will be credited back to your account on a quarterly basis and will be listed on your quarterly statement in the “*Your transaction details*” section as “*Plan Servicing Credits*.” These quarterly credits (if applicable to you) will be displayed starting with your December 31, 2024, 4th quarter statement, which will be available in early January 2025. Please see [TIAA.org/caltech](https://www.tiaa.org/caltech) for a complete list of investment options and applicable investment fees.

### TIAA Brokerage accounts in the Caltech Voluntary Retirement Plan

Effective October 1, 2024, participants may only invest up to 95% of their plan account balance in the TIAA Brokerage account. This will allow the Plan Servicing Fee to be applied to the Plan on a quarterly basis. Participants with greater than 95% of their total plan assets allocated to or held in the TIAA Brokerage account will receive a separate letter with more information and instructions.

### Frozen Non-ERISA Program

If you have balances in Caltech’s frozen non-ERISA 403(b) Tax Deferred Annuity (TDA) Program, whether with TIAA (Plan number 101206) or with another program vendor, please note that the non-ERISA 403(b) Tax Deferred Annuity (TDA) Program is not affected by these changes. Because this frozen program is not subject to ERISA, Caltech does not control the administration of accounts under the program. The vendors holding your program accounts can help you understand the fees associated with these accounts. You may be able to transfer your accounts under this program to the current Caltech Plans, which could possibly reduce the total recordkeeping fees you incur. Contact your vendor for this program to obtain additional information:

TIAA: **800-842-2252**

Fidelity: **800-343-0860**

Empower (formerly Prudential): **800-840-5452**

# Important Changes to the Caltech Retirement Plans Will Take Effect in October 2024

## Investment Class Change in the Base and Voluntary Retirement Plans

The Caltech Retirement Plans Investment Oversight Committee monitors the investments offered by the Base and Voluntary Retirement Plans based on a set of investment principles, including fund performance and costs, and makes changes when appropriate.

As part of the fee methodology change, these Plans now have access to lower-cost CREF investment shares. Therefore, the following investment options in the Base and Voluntary Retirement Plans' lineups will automatically move to lower-cost investment classes.\* On or about October 3, 2024, any existing balances in, and future contributions to, the investment options in the *Current Option* column in the table below will be directed to the new class of the same options shown in the *Replacement Option* column.

There is no investment strategy difference between different classes of the same investment option. Investing in a lower-cost class means that less of your money goes toward investment fees. As a result, you keep more of the potential return generated by an investment. While returns cannot be guaranteed, paying lower investment fees may help you reach your retirement goals faster. You may change your investment options at any time.

Current Option	Ticker	Expense Ratio		Replacement Option	Ticker	Expense Ratio†
CREF Core Bond Account Class R3 (variable annuity)	QCBMIX	0.25%	▶	CREF Core Bond Account Class R4 (variable annuity)	QCBMFX	0.095%
CREF Equity Index Account Class R3 (variable annuity)	QCEQIX	0.185%	▶	CREF Equity Index Account Class R4 (variable annuity)	QCEQFX	0.03%
CREF Global Equities Account Class R3 (variable annuity)	QCGLIX	0.25%	▶	CREF Global Equities Account Class R4 (variable annuity)	QCGLFX	0.095%
CREF Growth Account Class R3 (variable annuity)	QCGRIX	0.225%	▶	CREF Growth Account Class R4 (variable annuity)	QCGRFX	0.07%
CREF Inflation-Linked Bond Account Class R3 (variable annuity)	QCILIX	0.215%	▶	CREF Inflation-Linked Bond Account Class R4 (variable annuity)	QCILFX	0.06%
CREF Social Choice Account Class R3 (variable annuity)	QCSCIX	0.22%	▶	CREF Social Choice Account Class R4 (variable annuity)	QSCCFX	0.065%
CREF Stock Account Class R3 (variable annuity)	QCSTIX	0.255%	▶	CREF Stock Account Class R4 (variable annuity)	QCSTFX	0.10%

To learn more about the investment options, go to [TIAA.org](https://www.tiaa.org). You can then enter the name or ticker of the investment options in the search field.

\* **Please note:** The lower-cost class for the CREF Money Market Account is not available in the legacy Retirement Annuity and Group Retirement Annuity contracts in the Caltech Base Retirement Plan (Plan number 101205). Balances in the CREF Money Market Account Class R3 in legacy contract types will not move to the R4 investment class. You can see the account (also referred to as contract) type you have with TIAA by logging in to your account at [TIAA.org](https://www.tiaa.org), clicking on the account, and selecting *Contracts in this plan*. Contact TIAA for information on moving legacy balances to the new contract types.

† The investment expense ratios listed are as of July 22, 2024, and are subject to change.

**No action is required on your part for any of these changes.**

## For More Information

If you have additional questions, call TIAA at **800-842-2252**. Representatives are available weekdays, 5:00 a.m. to 7:00 p.m. (PT).

**To schedule a one-on-one session** with a TIAA financial consultant to discuss your retirement planning strategy, please call **800-732-8353, option 1**, weekdays, 5:00 a.m. to 5:00 p.m. (PT), or visit [TIAA.org/schedulenow](https://www.tiaa.org/schedulenow) to schedule your appointment.

## Frequently Asked Questions

### 1. What are the types of fees associated with administering retirement plans?

There are three different types of fees associated with administering retirement plans: recordkeeping, administrative, and investment. This change in how fees are collected in the Plans only affects how recordkeeping and administrative fees are collected. These two fees are referred to collectively as the “Plan Servicing Fee.”

### 2. How are the fees for investment options charged?

Each of the Plans’ investment options has a charge for investment management and associated services taken by the investment managers (such as American Funds, Dodge & Cox, etc.). These fees are measured by what is called an expense ratio. Expense ratios are reported as a percentage of assets. For example, an expense ratio of 0.50% means a participant pays \$5 annually for every \$1,000 in assets. Knowing the expense ratio charged by each fund helps you understand the cost associated with each investment you choose. These total expense ratios are different for each investment option you may choose to invest in. Your total return is net of these investment management fees. To view the Caltech investment lineup(s) and associated investment fees, please visit [TIAA.org/caltech](https://TIAA.org/caltech). These fees can change and are not displayed on the quarterly statement.

### 3. Why are the Plans making this fee methodology change?

This change ensures that participants of the impacted Plans share equally in the expenses involved with recordkeeping and administering those Plans in which they participate.

### 4. How were the Plans’ recordkeeping and administrative expenses previously paid?

Prior to October 1, 2024, these fees were paid indirectly through the investments’ revenue-sharing components. The fees paid by each participant were based on the investments chosen by the participant.

### 5. What is revenue sharing and plan services expense offset?

Revenue sharing describes the practice of an investment provider sharing in the cost of plan administration with a portion of their revenue from investment fees. Please note that proprietary annuity investments, like the TIAA Traditional Annuity, the TIAA Real Estate Account and all CREF investments, do not have an explicit revenue share, but rather have a “plan services expense offset” that is applied to the Plans’ recordkeeping and administrative costs.

### 6. How is the Plan Servicing Credit calculated?

The Plan Servicing Credit is based on revenue sharing and plan services expense offsets associated with some investments. If you choose an investment with revenue sharing or a plan services expense offset, any revenue sharing and plan services expense offsets from these investments in excess of the applicable Plan Servicing Fee will be credited back to your account on a quarterly basis. You can find these credits reflected in your quarterly statement in the “*Your transaction details*” section.

# Important Changes to the Caltech Retirement Plans Will Take Effect in October 2024

## 7. What are the different plan numbers within each Plan, and what do they represent?

Caltech Plans Impacted by the Plan Servicing Fee	
Base Retirement Plan	Plan 101205 – Institute contributions made prior to January 1, 2010 Plan 403497 – Institute contributions made after December 31, 2009
Voluntary Retirement Plan	Plan 403498 – Employee contributions made after December 31, 2009
457b Deferred Compensation Plan	Plan 101207 – Employee contributions made prior to January 1, 2010 Plan 403499 – Employee contributions made after December 31, 2009 Plan 403518 – Employee contributions made prior to January 1, 2010
Frozen non-ERISA 403(b) Tax Deferred Annuity (TDA) Program—contact vendor for fee information	
Non-ERISA 403(b) TDA Program	Employee contributions made prior to January 1, 2010 TIAA – Plan 101206 (Call <b>800-842-2252</b> ) Fidelity – Caltech Plan 85675 & JPL Plan 85680 (Call <b>800-343-0860</b> ) Empower (formerly Prudential) – Caltech Plan 009297 & JPL Plan 004635 (Call <b>800-840-5452</b> )

## 8. What if I have a TIAA Brokerage account in the Voluntary Retirement Plan (Plan number 403498)?

As a part of this change, beginning October 1, 2024, participants may only invest up to 95% of their account balance in the TIAA Brokerage account so that the Plan Servicing Fee can be applied to the Plan on a quarterly basis. Participants with greater than 95% of their total plan assets allocated to or held in the TIAA Brokerage account will receive a separate letter with more information and instructions.

## 9. Can I consolidate my non-ERISA 403(b) Tax Deferred Annuity (TDA) Program accounts with my Plan accounts to potentially reduce the total recordkeeping fees I am assessed?

It depends on your circumstances and the retirement plan accounts in which you have assets. Please call TIAA at **800-842-2252** to inquire what options may exist for you.

## 10. What if I have more questions about these changes?

- Contact TIAA for more information about how the fees will work and for help understanding your statements. Call **800-842-2252** to speak with a TIAA representative, weekdays, 5:00 a.m. to 7:00 p.m. (PT).
- Arrange a 1:1 meeting with a TIAA financial consultant if you would like to review your investments or your overall retirement planning strategy. Visit [TIAA.org/schedulenow](https://www.tiaa.org/schedulenow) or call **800-732-8353** and choose **option 1**.

## Important Plan Information

### Name and address of employer/plan sponsor:

#### California Institute of Technology

1200 E. California Blvd.  
Mail Code 161-84  
Pasadena, CA 91125

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### Contact information:

#### Caltech

Email: [hrbenefits@caltech.edu](mailto:hrbenefits@caltech.edu)  
Phone: **626-395-6443**  
Mail: 1200 E. California Blvd.  
Mail Code 161-84  
Pasadena, CA 91125

#### JPL

Email: [HumanResources@jpl.nasa.gov](mailto:HumanResources@jpl.nasa.gov)  
Phone: **818-354-4447**  
Mail: 4800 Oak Grove Dr.  
Mail Code 111-130  
Pasadena, CA 91109

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### Recordkeeper:

#### TIAA

Phone: **800-842-2252**  
Mail: 8500 Andrew Carnegie Blvd.  
Charlotte, NC 28262

Please read this document carefully and place this notice with your Benefits Handbook (Summary Plan Description). These changes are effective October 1, 2024, unless otherwise stated elsewhere in this document.

This brochure is not a substitute for the official Plan Documents, which govern the operation of the Plans and benefits described here. All terms and conditions of the Plans, including your eligibility and any benefits, will be determined pursuant to and are governed by the provisions of the applicable Plan Documents.

If there is any discrepancy between the information in this brochure or in any other materials relating to the Plans and benefits described here and the actual Plan Documents, or if there is a conflict between the information discussed by anyone acting on Caltech's behalf and the actual Plan Documents, the Plan Documents, as interpreted by the applicable Plan Administrator in its sole discretion, will always govern.

# Caltech