

## **Announcing Enhancements to the George Washington University Retirement Plans**

Dear Colleagues,

We are pleased to share enhancements coming to the employee retirement plans at The George Washington University (GW) in January 2025. These enhancements are the result of a review of the plans by the University's Retirement Plan Investment Committee (RPIC) and CAPTRUST, an independent and nationally recognized investment advisory firm. The RPIC also consulted with faculty and staff stakeholder groups during this review. The retirement plans will now provide streamlined offerings, introduce a new fee structure with reduced expense ratios, offer a self-directed brokerage option, and provide tiered levels of investment management with comparable investment lineups across recordkeepers and plans. **No action is required at this time.**

### **Details of the Enhancements**

While the basic design of the retirement plans, including contribution rates, eligibility requirements and recordkeepers (TIAA and Fidelity) will remain the same, we'll introduce the following enhancements for both TIAA and Fidelity participants:

- **Streamlined fund offerings across all plans**

The investment lineups for both passive and index fund offerings will be streamlined, making them more comparable across recordkeepers. TIAA will also continue to offer certain annuities, including the TIAA Traditional guaranteed annuity.

- **New fee structure**

Previously, plan administration fees were bundled with the investment management fees charged to the investment options under the plans. That will no longer be the case. Plan administration fees will now be separate from the investment management fees and will be disclosed on your account statements.

- **Self-directed brokerage option in all plans<sup>1</sup>**

Both TIAA and Fidelity will now offer a self-directed brokerage option in all plans. This option provides access to a broad range of mutual funds beyond the plans' core investment lineups. It's important to note that these investments may have minimum investment requirements and separate fees. These funds will not be monitored by the GW RPIC.

- **Tiered investment lineup**

As described below, the investment options will be organized into groups—or tiers—based on individual investment styles.

**Tier 1: Allocation tier**, offering target date funds (the Vanguard Target Retirement Funds), which can be a good option if you want to "set it and forget it." You can simply select a fund based on your birth year; the fund will automatically adjust and rebalance for you based on your expected year of retirement.

Additionally, the **allocation tier** will offer two variable annuities that are currently available through TIAA. In retirement, variable annuities offer plan participants the ability to establish an income stream guaranteed to last for the lifetime of the annuitant(s). However, the payout amounts from a variable annuity's income stream may rise or fall based on the performance of the annuity's underlying investment portfolio.

**Tier 2: Passive tier**, offering lower-cost indexed options that attempt to match the performance of several market indexes (e.g., the S&P 500®). This tier can provide broad diversification within a single type of asset class.

**Tier 3: Active tier**, offering investment options with a manager who uses financial resources, forecasts, and their own judgment and experience to make investment decisions on which securities to buy, hold and sell within each portfolio.

**Tier 4: New self-directed brokerage option**, meant for investors who want more investment selection. This account gives you additional opportunities to invest in a wide range of mutual funds across several asset classes outside of the plans' core investment lineups.

## What's Next?

You should be aware of the following dates for upcoming activities. **No action is required at this time.**

- **Early December 2024**

You will be sent a transition guide package with details about the transition at both TIAA and Fidelity, as well as available resources. It will also show how all current investments will be transferred to the new investment options.

- **December 2024/January 2025**

Virtual info sessions and one-on-one advice sessions will be offered so you can learn more about the enhancements and ask questions. More information will be provided soon.

- **Jan. 2, 2025, at 4 p.m. ET**

Last opportunity to make changes before the transfer occurs.<sup>2</sup>

- **Jan. 3, 2025**

Investment changes will take effect. Future contributions and existing balances will be directed to the replacement investment options.<sup>2</sup>

## Make the Most of Your Retirement Benefits

The upcoming enhancements provide an excellent opportunity for you to revisit your retirement plan options. You'll receive more information in the coming weeks. Please review the information carefully to learn more about the enhancements, steps you can take and key dates.

## Questions?

It's our goal to keep you informed throughout the upcoming transition by providing ongoing updates. If you have questions or need assistance, call TIAA at 800-842-2252, weekdays, 8 a.m. to 10 p.m. ET, or Fidelity at 800-343-0860, weekdays, 8:30 a.m. to 8:30 p.m. ET.

Sincerely,

## GW Retirement Plan Investment Committee

<sup>1</sup> The self-directed brokerage option at TIAA is only available to participants with a U.S. mailing address.

Fidelity participants with a foreign address must use the paper application or call 877-343-0860 to open a Fidelity BrokerageLink® account.

<sup>2</sup> Specific details will be provided in the transition guide package.