USG Retirement Plan Enhancements
A foundation for your future

University System of Georgia Retirement Plans
AGENDA

- Welcome & Introduction - Lisa Joe, Director of Retirement Programs, University System Office

- Overview USG Retirement Plan Enhancements – CAPTRUST Advisors & USG

- USG Tools & Resources Jason Culp, CFP®, Retirement Plan Manager, University System Office

- Q & A Panel Discussion – USG

- Vendor Help Desk
Introducing Important Enhancements

- Consolidation of systemwide plans.
- Streamline providers.
- Consistent fund lineups.
- Efficient cost structure.
- Transparent fees and expenses.
- New resources.
- Retirement@Work online portal.
Investment Lineups and Advice

- Lineups will be as consistent as possible across the ORP, 403(b) and 457(b) Plans.
- Existing balances at TIAA, Fidelity and VALIC will be transferred according to the schedule described in the Guide to New Investments inserts.
- Investment help is available from all providers and a new resource, CAPTRUST, an independent advisor.
- Self-Directed Brokerage will be available on all plans at each provider but will not be monitored by USG.
New Plan Features

- Roth Contributions.
  - Available in the 403(b) and 457(b) Plans.
  - Available at all providers.
- Roth allows you to save on an after-tax basis.
- Roth funds grow tax-free.
- Roth distributions are tax-free when meeting all requirements.
  - Unlike Roth IRA’s, Roth 403(b) or 457(b) contributions are not subject to income restrictions.
  - To learn more about Roth talk with an advisor.
Retirement Plan Loans

- Loans available from all three providers in 403(b) and 457(b) Plans.
- Fidelity and VALIC have no changes to loan process.
- TIAA will change how loans are processed:
  - Loans will no longer be collateralized. New loans will be deducted directly from account balances.
  - Repayments will be made directly to a participants account.

Refer to the Guide to New Investments inserts for each provider’s loan fees.
Fees and Expenses

- Participants pay for:
  - Retirement plan recordkeeping.
  - Administrative fees paid to consultants, auditors, accountants and other administrative service providers.
  - Investment management expenses which are netted from investment returns.
- Expenses will be charged to participants and will vary by provider.
- Fees paid from your account will appear on your quarterly statement.

<table>
<thead>
<tr>
<th>Fee Type</th>
<th>TIAA</th>
<th>Fidelity</th>
<th>VALIC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recordkeeping</td>
<td>0.035%</td>
<td>0.08%</td>
<td>0.11%</td>
</tr>
<tr>
<td>Plan Administration</td>
<td>0.0204%</td>
<td>0.0204%</td>
<td>0.0204%</td>
</tr>
<tr>
<td>Total Fee*</td>
<td>0.0554%</td>
<td>0.1004%</td>
<td>0.1304%</td>
</tr>
</tbody>
</table>
Providers Being Eliminated*

- Ameriprise
- AXA
- First Investors
- Lincoln Financial Group
- MassMutual
- Peach State Reserves 401(k)/457(b)
- Primerica
- USAA
- Voya
- Waddell and Reed

*All providers other than Fidelity, TIAA and VALIC will be eliminated from the plan. The list may not be all-inclusive. You may contact your HR/Benefits Office to confirm.
Default Provider TIAA

- Employees who contribute to an eliminated provider and fail to actively select a new provider by April 19, 2019, will be defaulted.
  - New contracts will be established with TIAA.
  - Future contributions will be invested in the appropriate Vanguard Target Date fund based on the year you will turn age 65.
  - Beneficiary designation will be set to Estate.

- IMPORTANT: Peach State Reserves Participants MUST select a new provider – they will not be defaulted and contributions will stop with the April 30, 2019, monthly payroll.
Timeline for Decisions

- Period through April 19, 2019.
  - Select a new provider if you currently contribute to an eliminated provider for a voluntary plan.
    - Complete a new Salary Reduction Agreement form.
  - To complete your enrollment by selecting investments, visit choose-investments.usg.edu.
    - Review the new investments in the Guide to New Investments inserts.
      - Certain funds will be eliminated.
      - Certain funds will be transferred to new investments.
  - Select your new investment allocation
  - Schedule a personal financial consultation.
    - CAPTRUST
    - Fidelity
    - TIAA
    - VALIC
What’s Not Changing

- Basic plan design remains the same for the ORP.
- Retirement plan eligibility remains the same (ORP, TRS, ERS or GDCP).
### Key Dates

<table>
<thead>
<tr>
<th>Dates to Note in 2019</th>
<th>Action / Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan 24</td>
<td>Check Schedule for campus meetings: Education-session.usg.edu</td>
</tr>
</tbody>
</table>
| April 19                      | Last Day to:  
  • Select a new provider if you currently use an eliminated provider or eliminated plan (Peach State Reserves 401(k) /457(b)).  
  • Default provisions will be applied to anyone who has vendor eliminated but does not make an election; except for Peach State Reserve plans who will no longer be making contributions. |
| Beginning Week of April 26    | Plans administered by individual institutions will begin to be merged into new systemwide 403(b) and 457(b) except for Peach State Reserves 457(b).                                                          |
| April 30                      | First contributions directed to new merged plans using new investment lineups.                                                                                                                                   |
| April 30 – May 10             | Existing account balances transfer to new lineups and new accounts are created where applicable. See Guide to New Investments inserts. New investment lineups available for selection and transfers. |
| May 10                        | All mergers are completed                                                                                                           |
Plan Mergers

Systemwide plans administered by USG.

- Fidelity, VALIC and TIAA will each be creating new plans.
- Current plans at each institution will be merged into the new plans.
Personal Information

- Verify your personal information on each of your accounts post merger.
  - Mailing Address.
  - Digital information such as email address.
- Verify, update or create Beneficiary information.
  - Post merger, review all your accounts.
New Investment Lineups

- Available May 1, 2019, at each provider.
- Simplified menu and tiers.
- Array of investments to choose from.
- Consistency across providers.
- Transparent fees and expenses.
Tier 1: Allocation Tier

- Diversification through a single choice.
- Age-based Target Date Funds.
  - Consider a fund with the date closest to the year you will turn age 65, plan to retire or that meets other needs.
  - Target Date Funds automatically become more conservative as you near the “target date”.
Tier 2: Passive Tier

- Primarily a suite of index funds.
- Designed to give you access to the entire market.
- Index funds are meant to mirror a particular market segment.
- Index funds are supposed to track their benchmark closely.
Tier 3: Active Tier

- Actively managed funds strive to outperform their benchmarks.
- Vary widely by asset class.
- Used to build personalized portfolios.
Tier 4: Self-Directed Brokerage

- Typically used by experienced investors.
- Allows access to investments that are not offered in Tiers 1, 2 or 3. Individual investment options vary by plan and by provider.
- Investments are not monitored by USG.
- Individuals are responsible for all investing decisions.
- Miscellaneous fees associated with these types of accounts are paid by the account holder.
- Available through all of the providers on all plans.
## Future Contributions and Existing Balances

<table>
<thead>
<tr>
<th>Retained Provider</th>
<th>Maintain Existing Balances</th>
<th>Future Contributions Allowed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fidelity</td>
<td>Yes</td>
<td>Yes using new menu May 1, 2019</td>
</tr>
<tr>
<td>TIAA</td>
<td>Yes</td>
<td>Yes using new menu May 1, 2019</td>
</tr>
<tr>
<td>VALIC</td>
<td>Yes</td>
<td>Yes using new menu May 1, 2019</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Eliminated Providers</th>
<th>Maintain Existing Balances</th>
<th>Future Contributions Allowed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Americprise, AXA, First Investors, Lincoln Financial, MassMutual, Primerica, USAA, VOYA and Waddell and Reed</td>
<td>Yes</td>
<td>No. If a new provider is not selected by April 19, 2019, you will be defaulted to a new account with TIAA and be invested in the age appropriate Vanguard Target Date Institutional Fund.</td>
</tr>
<tr>
<td>Peach State Reserves 401(k) / 457(b)</td>
<td>Yes</td>
<td>No. If a new provider is not selected by April 19, 2019, your contributions will stop.</td>
</tr>
</tbody>
</table>
Fidelity

- Existing account balances will transfer to the new fund lineups.
- Future contributions will be directed to the new fund lineups.
- Investment elections specific to the new fund lineups can be made after May 1, 2019.
- Welcome information will be sent to new enrollees.
Fidelity – Beneficiary Designations

- Participants in the 403(b) or 457(b) at:
  - Georgia State University
  - University of Georgia
  - Georgia Institute of Technology

  Current beneficiary designations will transfer to the new merged plans.

- All other institutions: Beneficiary designations will not transfer and on or after May 1, 2019, you will need to:
  - Call Fidelity at 800-343-0860 or
  - Visit netbenefits.com/usg to designate your beneficiaries.
TIAA

- Existing mutual fund balances will transfer to the new fund lineups.
- Future contributions will be directed to the new fund lineups.
- Existing annuity account balances will remain in the current annuity options unless you make a change.
- Current TIAA investors, defaulted participants, and new contributors to TIAA will receive new contracts shortly after May 1, 2019.
  - Watch for a Welcome Kit.
TIAA - Beneficiary Designations

- Current TIAA participants will have their beneficiary information applied to their new plan account in most circumstances.
- New TIAA participants will need to identify their beneficiary during the account creation process.
- Defaulted participants will have their “estate” as beneficiary.
- Review and make any necessary updates to your beneficiary designations once you receive confirmation of your new account.
Existing mutual fund account balances will transfer to the new fund lineups.

Future contributions will be directed to the new fund lineups.

Existing annuity account balances will remain in the current annuity options unless you make a change.

There will be a **quiet period beginning at 4:00 pm EST April 30 and running no longer than May 12, 2019**. During the quiet period you will not be able to access any of your USG VALIC accounts.

Investment elections specific to the new fund lineup can be made after May 12, 2019.

Welcome information will be sent for any new account created.
VALIC – Beneficiary Designations

- Current VALIC participants will have their current beneficiary information applied to their new accounts.
- Participants who elect VALIC as their new provider will be asked to complete their Beneficiary Designations during the enrollment process.
Help Is Available

- **CAPTRUST**: Independent Investment Advisor who will answer questions about the various providers and provide independent investment advice. Available on campus and via phone.

- **Fidelity**: Available on campus, via the phone or at investor centers in select cities to help with your Fidelity accounts. Investment advice, assistance with enrolling and questions about the transition and your Fidelity accounts.

- **TIAA**: Available on campus and via phone to help you with your TIAA accounts. Investment advice, assistance with enrolling and questions about the transition and your TIAA accounts.

- **VALIC**: Available on campus and via phone to help you with VALIC accounts. Investment advice, assistance with enrolling and questions about the transition and your VALIC accounts.
# 1 on 1 Counseling

<table>
<thead>
<tr>
<th></th>
<th>Contact Information</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CAPTRUST</strong></td>
<td>800-967-9948 Captrustadvice.com/usg</td>
</tr>
<tr>
<td><strong>Fidelity</strong></td>
<td>800-642-7131 Getguidance.fidelity.com</td>
</tr>
<tr>
<td><strong>TIAA</strong></td>
<td>800-732-8353 TIAA.org/schedulenow</td>
</tr>
<tr>
<td><strong>VALIC</strong></td>
<td>770-395-4794 USG.VALIC.com</td>
</tr>
</tbody>
</table>
Coming in July 2019

Retirement@Work

- Online portal to streamline access to your retirement benefits.
  - Enroll in the retirement plans.
  - View all USG Plans no matter where they are held.
  - Change your salary reduction percentages.
  - Select providers.
  - Access helpful tools and resources.
Tools and Resources

- http://retirement.usg.edu/

Retirement Savings Tool

How Much Could You Save For Retirement?

Will you have enough money saved for retirement? Although it may seem like a huge task, creating a realistic estimate of where you stand today can help you get where you want to be tomorrow. Use the results from this tool as a starting point and schedule an appointment with your vendor representative to determine if you’re on track. Together, you can estimate how much you’ll need and find practical ways to reach your retirement goals.
Total Retirement Calculator

Tips: Please do not enter commas, $, or other non-numeric characters in your input. Enter percentages as integers (i.e. enter 7% as 7, not as 0.07). You can click to navigate or use the tab key to move from one input box to the next.

Current Status

Current Age (years):

Current Annual Salary ($):

ORP Plan

Current Optional Retirement Plan (ORP) Savings ($):

Your ORP Contribution (6% of salary):

9.24%

Employer ORP Matching (5.24% of salary):

Estimates

Retirement Age (years):

Estimated Annual Raise (%):

Estimated Annual Inflation Rate (%):

Your Estimated Annual Investment Return (%):

In general, when estimating annual investment returns, compendium participants may expect 3% on average per year, where an aggressive investor might expect upwards of 6.5% on average per year.

Other Retirement Savings

Current Balance of Other Tax-Deferred Savings ($):

If applicable, include 403(b), 457(b), Traditional IRAs, annuities, and spouse retirement account balances.

Total Monthly Contributions to Other Savings ($):

Estimated Annual Return on Other Savings (%):

Retirement Information

Note: This calculator will use a standard mortality table to determine your life expectancy.

Click if you would like to include a Social Security Estimate:

Annual Retirement Income Goal in Today’s Dollars ($):

Try 70-80% of your current salary.

Estimated Annual Investment Return During Retirement (%):

In general, investors become more conservative as they get closer to retirement.
Total Retirement Calculator

Based on the information you supplied, we have summarized the results of your analysis below. If you would like to revise your entries, you can use the "Back" button on your browser to return to the calculator’s input page.

Summary

At age 65, you will have accumulated an estimated $421,409 in your ORP plan and an estimated $876,350 in your supplemental retirement savings.

These values are based on annual compounding of your contributions and investment returns.

ORP Balance Graph

This chart illustrates what your estimated balance will be in your ORP account before and during your retirement years.
Year-by-Year Data

The following table illustrates how your investment can grow and compound before retirement and how much it is estimated you will need to live year-by-year after you retire.

<table>
<thead>
<tr>
<th>Year</th>
<th>Age</th>
<th>ORP Balance</th>
<th>Supplemental Retirement Savings</th>
<th>Retirement Income Goal</th>
<th>Retirement Income</th>
<th>Other Retirement Savings Income</th>
<th>Pension Income</th>
<th>Total Retirement Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>38</td>
<td>$1,500</td>
<td>$10,000</td>
<td>$38,000</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>2020</td>
<td>39</td>
<td>$8,433</td>
<td>$28,400</td>
<td>$38,760</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>2021</td>
<td>40</td>
<td>$15,781</td>
<td>$47,536</td>
<td>$39,535</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>2022</td>
<td>41</td>
<td>$23,566</td>
<td>$67,437</td>
<td>$40,326</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>2023</td>
<td>42</td>
<td>$31,810</td>
<td>$88,135</td>
<td>$41,132</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>2024</td>
<td>43</td>
<td>$40,537</td>
<td>$109,660</td>
<td>$41,955</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>2025</td>
<td>44</td>
<td>$49,772</td>
<td>$132,047</td>
<td>$42,794</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>2026</td>
<td>45</td>
<td>$59,540</td>
<td>$155,329</td>
<td>$43,650</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>2027</td>
<td>46</td>
<td>$69,870</td>
<td>$179,542</td>
<td>$44,523</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
</tbody>
</table>
Wellness Credit

Healthy activities rewards chart
Employees and spouses covered on a USG healthcare plan can each earn up to a $100 well-being credit for participating with USG Well-being programs! Employees who are benefits-eligible but not covered can participate in activities, but will not earn a well-being credit. See how your healthy activities can add up, and get rewarded for living a healthy lifestyle.

<table>
<thead>
<tr>
<th>HEALTHY ACTIVITY</th>
<th>WHAT YOU NEED TO DO</th>
<th>WELL-BEING CREDIT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health assessment</td>
<td>Complete the health assessment. Your answers are confidential.</td>
<td>$25</td>
</tr>
<tr>
<td>Activity tracking</td>
<td>Track at least 30 minutes of activity for 30 days. Days tracked do not need to be consecutive. You may earn credit for completing this activity twice.</td>
<td>$25 ($50 annual cap)</td>
</tr>
<tr>
<td>Connect device</td>
<td>Sync an approved fitness device or app. You may only earn credit for this activity one time.</td>
<td>$10</td>
</tr>
<tr>
<td>Digital coaching</td>
<td>Complete an online, self-directed well-being experience. You may earn this twice.</td>
<td>$25 ($50 max)</td>
</tr>
<tr>
<td>Wellness coaching by phone–Lifestyle topics</td>
<td>All employees and covered spouses: You have access to coaching at no cost to you through RedBrick Health. Log in to ourwellbeing.usg.edu and select Coaching. Browse available topics and schedule a call at your convenience. Kaiser Permanente members: you may also access phone coaching through your plan. Get started at kp.org/engage.</td>
<td>$25 for two calls. $50 annual cap for all wellness coaching by phone options, including diabetes and tobacco-cessation coaching.</td>
</tr>
<tr>
<td>Wellness coaching by phone–Diabetes</td>
<td>Participate in diabetes-related phone coaching through RedBrick Health or Kaiser Permanente (for plan members).</td>
<td></td>
</tr>
<tr>
<td>Wellness coaching by phone–Tobacco</td>
<td>Participate in a tobacco-cessation phone coaching program through RedBrick Health or Kaiser Permanente (for plan members).</td>
<td></td>
</tr>
<tr>
<td>Financial coaching</td>
<td>Participate in a program through one of our partners: • Fidelity 800-343-0860 • TIAA 800-732-8353 • VALIC 866-279-1444 • CAPTRUST</td>
<td>$25</td>
</tr>
</tbody>
</table>