

**ORP Retirement Plan Redesign  
Fall 2007**

**Frequently Asked Questions (FAQs)**

Beginning in fall 2007, the Oregon University System will open new investment options and participant services for Optional Retirement 401(a) Plan participants. The changes reflect two years of review and planning by multi-campus workgroups of faculty and administrators, consultants, legal counsel, and Chancellor’s Office staff.

**This is an exciting change for OUS faculty and staff** that will both save you money in investment fees, and provide you with a broader range of options and services than are available to you currently.

**Q: How will the retirement plan investments and services change in fall 2007?**

A: Beginning in fall 2007, the ORP plan will consist of three provider programs: OUS, TIAA-CREF, and AIG VALIC. All options include both investment and other related services.

<b>OUS</b>	<b>TIAA-CREF</b>	<b>AIG VALIC</b>
<b>ORP:ous Program</b>	<b>ORP:tiaa-cref Program</b>	<b>ORP:aig valic Program</b>
Investments: <ul style="list-style-type: none"> <li>▪ “Lifecycle” Funds</li> <li>▪ Passively Managed Index Funds</li> <li>▪ Actively Managed Funds</li> </ul> Self-Directed Choices <ul style="list-style-type: none"> <li>▪ Fidelity Mutual Fund Brokerage Account</li> <li>▪ Fixed and Variable Annuities</li> </ul> Plan services and education by Fidelity Investments	Investments <ul style="list-style-type: none"> <li>▪ TIAA Traditional Annuity</li> <li>▪ TIAA Real Estate Account</li> <li>▪ CREF Variable Annuities</li> <li>▪ 9 TIAA-CREF Mutual Funds</li> </ul> Individual Advice and Planning Services by TIAA-CREF	Investments <ul style="list-style-type: none"> <li>▪ AIG VALIC Fixed Account</li> <li>▪ Portfolio Director I and II variable annuities</li> </ul> Plan services, and individual advising by AIG VALIC
Open Enrollment Oct 1- Nov 10, 2007. Effective date is November 1, 2007.	Mutual funds were added to the ORP in July 2007.	Open to new participants until October 10, 2007.

**Q: Will TIAA-CREF and AIG VALIC change?**

A: TIAA-CREF will add mutual funds to the ORP investment menu along with independent advice and planning services. AIG VALIC will offer elective investment advice beginning in November 2007. Otherwise, these providers will not change for current participants as result of the plan redesign.

**Q: What investments make up the redesigned ORP:ous program?**

A: A key concept of the OUS investment menu is emphasis on providing enough options to permit participants to allocate their investments across a broad spectrum of investment types. The mutual funds selected for each asset class in the “OUS” program are monitored by an investment advisory firm and the plans’ Investment Committee to ensure performance and expenses of the funds are acceptable under investment policies of the plans. If funds fall outside acceptable limits they may be replaced from time to time by the plan, and participants’ account balances in an under-performing fund would be transferred to the successor fund in the same asset category. This preserves asset allocation decisions unique to each person’s retirement planning goals.

The ORP:ous program will be administered by Fidelity Investments. Participants' will have online and phone access to the Fidelity Retirement Services Center for transactions, retirement planning consultation, and education services.

The ORP:ous investment menu includes:

- A family of target retirement date "lifecycle" funds for participants who want a simple investment option with a professionally managed portfolio; these fund mixes automatically change as you near retirement age.
- Low cost, passively managed index funds
- A selection of actively managed mutual funds
- An optional mutual fund brokerage account
- A self-directed account offering fixed and variable annuities

**Q: When do the new investment choices become available?**

A: The new investment choices become available on November 1, 2007. To see the investments lineup for the ORP:ous program, go to <http://www.mysavingsatwork.com/ous>. The TIAA-CREF mutual funds are described for the ORP:tiaa-cref program at <http://www.tiaa-cref.org/ous/>.

**Q: What are the ongoing annual expenses for the ORP?**

A: ORP:ous does not charge a separate fee for OUS administration. Fidelity's recordkeeping, custodial account, and services payment is included in the total fund expense shown in each fund's prospectus.

- No annual account maintenance fee is charged for participants who elect to use the mutual fund brokerage "window" or the self-directed ING annuity products. Participants who use the brokerage option are responsible to understand and pay fees applicable to investments they select. Many of the mutual funds available through the brokerage account impose no fees, but others do.
- Investment management expenses of the mutual fund and annuity investments apply as shown on the individual fund fact sheets and in prospectuses.

TIAA-CREF and AIG VALIC expenses are described in each company's contracts, fact sheets and prospectuses.

**Q: How will fees be disclosed?**

Expenses charged by the specific funds offered under ORP:ous will be reported in the performance reports for each core investment option; funds purchased through the brokerage account must be researched by the participant. TIAA-CREF provides performance and fees for all of the investment options available to OUS participants through their website customized for the OUS plans and participants. AIG VALIC investment performance and costs are available by prospectus, or are available through an AIG financial advisor.

**Q: What is the proposed time frame for these changes?**

A: The changeover to the three programs – ORP:ous, ORP:tiaa-cref, and ORP:aig valic - will take effect in November 2007.

**Q: When will the enrollment meetings be held?**

A: OUS and leaders on your campus will hold introductory meetings in September 2007. Throughout October, Fidelity and TIAA-CREF will offer on-site group meetings and individual consultations. If additional meetings are needed, they will be added to continue through the first week of November 2007.

**Q: Do I need to attend an enrollment meeting?**

A: You are not required to attend, but we strongly encourage you to learn more about the new education and advising services, and how to access plan and account information. The on-campus enrollment meetings with Fidelity and TIAA-CREF representatives are a good opportunity to hear first hand from the fund sponsors.

**Q: How do I find out about enrollment meetings at my location?**

A: Your campus benefits office will announce meetings through campus communications channels and e-mail. You may schedule an appointment for an individual consultation or sign up to attend a group meeting on your campus by contacting Fidelity or TIAA-CREF. Please use their reservations web pages to schedule your appointment. Your reservation for a group meeting will help the companies estimate how many sessions need

to be held at your campus, so we encourage you to sign up. The sign-in site for ORP:ous, the OUS/Fidelity program, is [www.mysavingsatwork.com/ous](http://www.mysavingsatwork.com/ous). To set up an appointment to learn about ORP:tiaa-cref, log in at <http://www.tiaa-cref.org/ous>.

**Q: What will happen to my current ORP account?**

A: Your American Century and /or DWS Scudder account will “map” directly to a similar asset class in ORP:ous in November 2007. Your TIAA-CREF or AIG VALIC account and investment directions will not change.

**Q: Will my ORP contribution change?**

A: No. Your contribution rate is set by Oregon statute and will not change as a result of the change in investments and services provided by ORP:ous.

**Q: How long do I have to make a decision about directing my “new money” ORP contributions?**

A: For the ORP:ous, your new contributions will map to asset categories on the OUS Investment Menu that correspond as closely as possible to your prior funds held by American Century or DWS Scudder. For example, the same percent of your total ORP contribution that had been directed to a large-cap value fund with American Century or DWS Scudder will map to the large-cap value fund on the ORP:ous core investment menu.

If you had never provided investment directions to American Century or DWS Scudder, your new contribution will be invested in an age-appropriate lifecycle fund.

When you are notified the plan conversion is complete in December 2007, you may redirect your investments to other funds on the ORP:ous investment menu, or the mapped investment directions will continue until you decide to change them.

**Q: What happens if I don’t make a decision regarding investment directions for my future ORP:ous contributions?**

A: Even if you don’t change your investment directions, **you will need to provide a new beneficiary designation for the ORP:ous by opening your account through Fidelity.** Your ORP:ous contributions will be invested asset classes similar to those you had selected before the transfer to ORP:ous.

**Q: Do the changes mean I will lose my American Century or DWS Scudder funds? I’ve had them for many years.**

A: We know that participants have concerns about changing ORP investment companies. A number of American Century and DWS Scudder mutual funds, but not all, are available as investment choices in the ORP:ous program’s elective brokerage account. Before applying for a brokerage account, however, participants will be able to see the exact replacement funds on the ORP:ous menu and can evaluate if the new funds suite their needs.

TIAA-CREF will continue to be available to all participants, and AIG VALIC will be grandfathered for participants active on October 10, 2007.

**Q: The ORP permits me to change fund sponsors once each year. If my American Century or DWS Scudder account transfers to ORP:ous, is that change be counted as my once-per-year change of fund sponsor?**

A: No. The November 2007 plan conversion, because it is required by the Plan, will not prevent you from making an elective change to TIAA-CREF if you have not made a voluntary change of fund sponsors at any other time in 2007.

**Q: What were the objectives of restructuring the OUS retirement plans? Is this change necessary?**

A: OUS’ objectives of this redesign were to simplify the investment process by offering a streamlined investment menu and updated participant services. Financial education and retirement planning services for participants are a growing need that the redesigned programs will meet with new tools and vendor commitment.

The decision to update the ORP plans was made to respond to participants’ requests for other ORP investment selections and recognition that strengthening both plans at the same time would leverage OUS’ ability to customize high-quality, affordable investments and services for participants in the ORP.

**Q: Who made this decision?**

A: The retirement plans redesign emerged from a series of decisions that led to developing the new plan structure. Over the past two years campus leadership, faculty, and administrators participated in and advised OUS staff and the Oregon State Board of Higher Education on several alternatives. The new structure incorporates ideas from many quarters throughout the university system, guided by faculty, expert advisors, and legal counsel, creating new ways for OUS employees to optimize their retirement savings.

**Q: What authority does OUS have to change retirement plan offerings?**

A: OUS is responsible for oversight of the plans, and is held to fiduciary standards under state law and federal regulations in its ongoing management of the plans. As a fiduciary and sponsor of the plan, OUS has the obligation, responsibility, and authority to make necessary enhancements and adjustments, including the selection of providers serving the plan and management of assets held in the ORP trust. Participants are subject to all the terms and conditions of the plans, including OUS authority to make provider and investment changes on behalf of participants in the plans. In redesigning and implementing the new plan design, OUS is meeting its fiduciary responsibility to offer plans that provide the best combination of investments, participant services and education available.

**Q: May I start contributing to current ORP providers now, even though the choices will change in November 2007? What are my options?**

A: Yes. OUS is providing this information about future changes to help you make decisions that will carry forward through the plan conversion in November 2007. If you select one of the current ORP mutual companies – American Century Investments or DWS Scudder – your account will “map” to the new ORP:ous option in November 2007. If you select TIAA-CREF or AIG VALIC, no changes will affect you.

**Q: I’m retiring before October 2007. Will the plan changes affect my account?**

A: The changes could affect you if you are an ORP participant with an American Century or DWS Scudder account that transfers to the new OUS investment menu and services. You may want to roll over your account to an IRA. If you take no action, you will become a participant in ORP:ous. Consult your tax for financial consultant for advice on whether to withdraw your account when you retire.

