

**OUS Retirement Plan Design  
Faculty Advisory Committee  
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**Howard Biggs**

*Managing Director, Retirement Consulting  
Arnerich Massena & Associates*

# Project Overview

- **Evaluate Current Program Structure & Cost**
- **Identify Opportunities to:**
  - Improve Participant Service
  - Enhance Participant Investment Opportunity
  - Reduce Costs
  - Eliminate Redundancy
- **Position Program to Conform with Evolving Regulatory Requirements**
- **Participant Focused Solutions**

# Defined Contribution Savings Plans

## Major Components of Plan Design

- **Regulatory Environment**
- **Plan Accounting / Recordkeeping – Operational Aspects**
- **Plan Investments**

# Regulatory Environment

- **Federal Regulation**
  - IRS / Internal Revenue Code
  - IRS Tax Exempt Status
  - Evolving Requirements For Plan Sponsors & Fiduciaries
- **State Regulation**
  - ORP Statutes
  - TDI Statutes

# Plan Accounting / Recordkeeping Operational Aspects

- **Maintenance of Participant Accounts**
- **Tracking / Storing Records**
  - Eligibility
  - Contribution History
  - Vesting History/Status
  - Distribution History
  - Investment Returns
  - Participant Balances, etc

# Plan Accounting / Recordkeeping Operational Aspects - Continued

- **Systems & Software to report**
  - Information to Regulatory Bodies
  - Information to Participants
  - Information to Plan Sponsors
  
- **Participant Education Services**
  - Via Paper media
  - Through Technology
  - In Person

# Plan Accounting / Recordkeeping Operational Aspects - Continued

- **Custodial and / or Trustee Functions**
  - Receiving Contributions
  - Investing Contributions as directed
  - Making distributions
  - 1099-R Tax Reporting
- **Plan Maintenance & Compliance**
  - Plan Documents
  - Plan Limits Testing
  - Compliance with Federal Regulations

# Plan Investments

- **Investment Types** (Limited by State and Federal Statutes)
  - Mutual Funds
  - Annuity Products (Insurance Products)
    - Fixed Annuity Product
    - Variable Annuity Products
  - Brief Discussion of Product Types (Annuities & Mutual Funds)

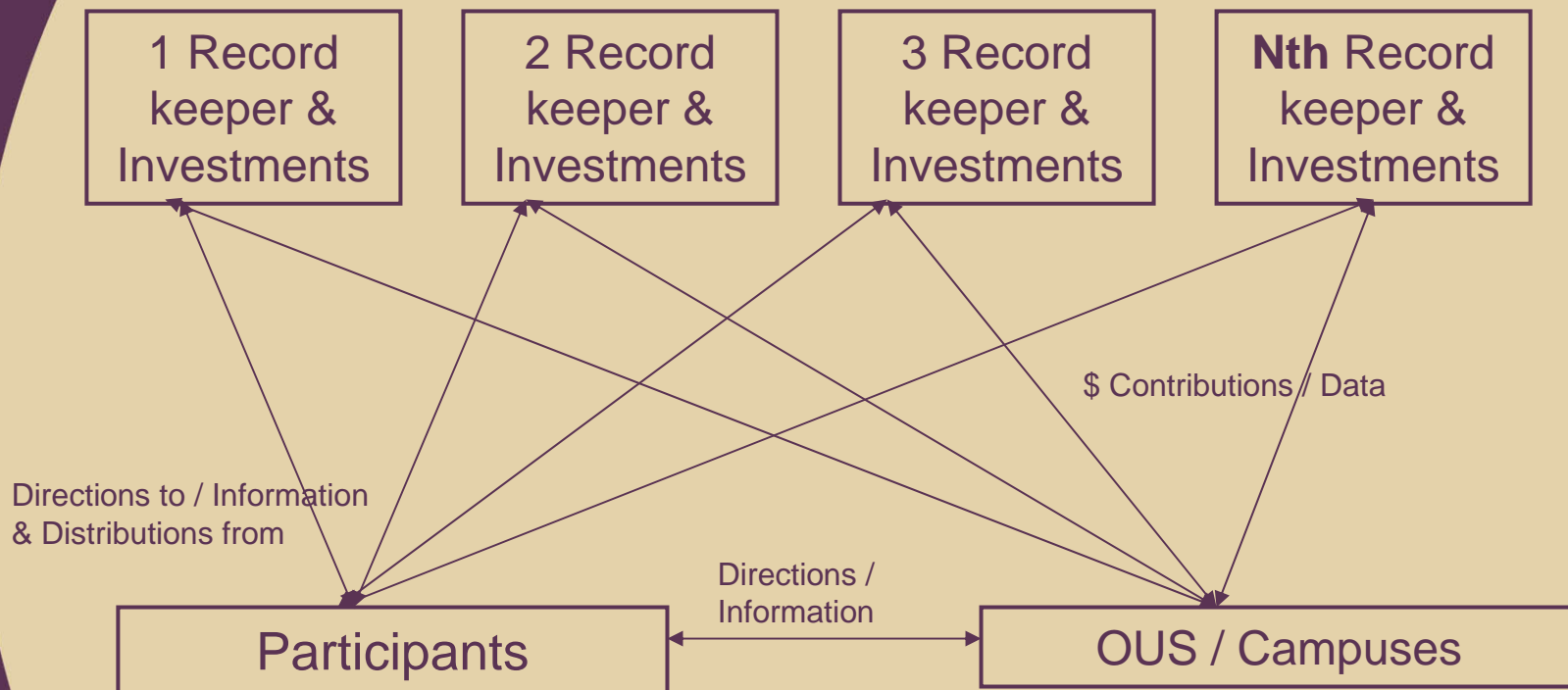
# Plan Investments - continued

- **Retirement Plan Investment Menu Construction – Typical Approach**
  - Goals
    - Meeting the needs/desires of diverse participant populations
    - Providing opportunity for participants to diversify investment risk and reward opportunities
  - Both Active and Passive Products
  - Coverage of Major Asset Classes
  - Opportunity to invest in other asset classes or wide array of funds

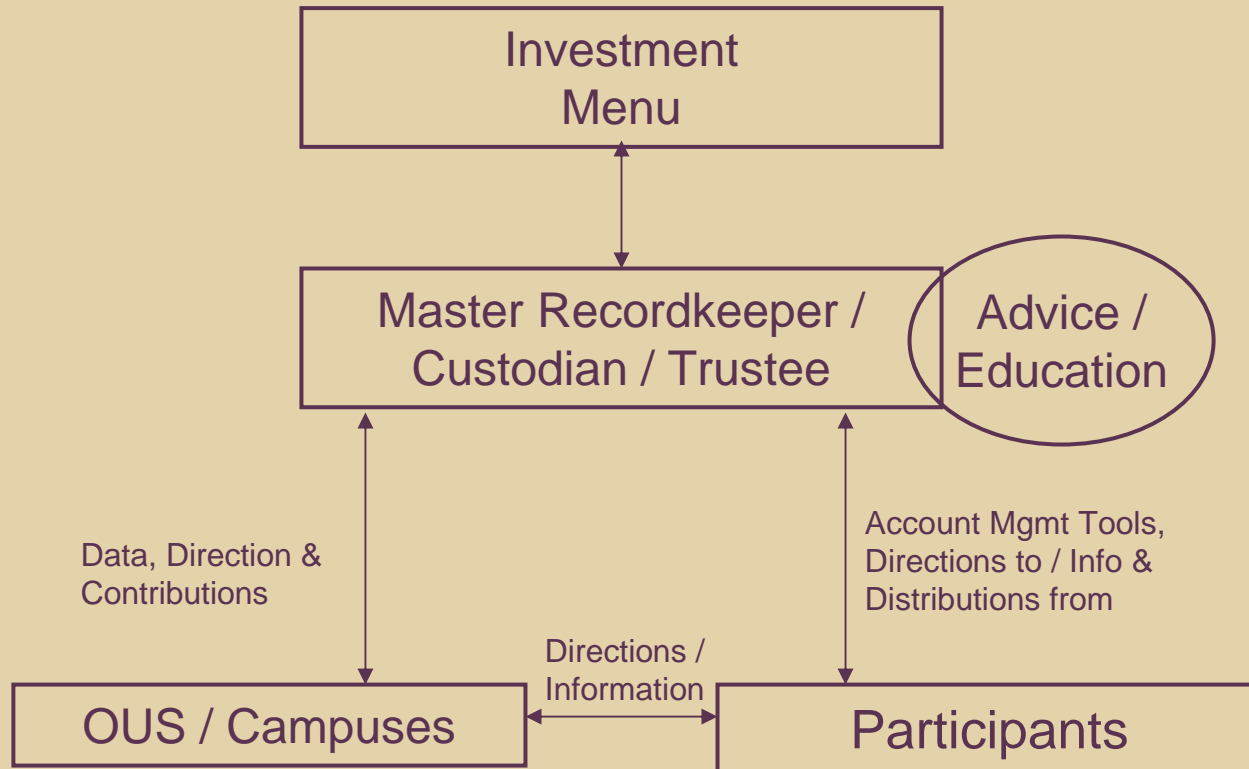
# Plan Investments - continued

- **Asset Allocation Products**
  - Risk Based or Target Retirement Date (sometimes called Life-stage or Lifestyle funds)
- **Core Menu of Investments**
  - Coverage of Major Asset Classes
  - Active and Passive choices
- **Self Directed Options / Mutual Fund Windows**
  - Access to funds other than on core menu
  - Access to Sector specific funds or other Specialized Funds
  - Because of Regulatory Environment for ORP/TDI no access to individual stocks, bonds, etc)

# Current Plan(s) Operations Structure



# New Plan Concept



# CORE Plus CHOICE Design Concept

## Mutual Funds, Fixed and Variable Annuities

- **Core**
  - Actively managed funds
  - Passively managed index funds
  - Target Date and/or Risk Based automatic rebalancing funds
- **Choice**
  - Self Directed Account – Mutual Fund Window

## End Goals – Participant Focused Solutions

- **Encourage and support employees' voluntary savings for retirement**
- **Enhance Participant Investment Opportunity**
  - Access To Quality Institutional Investments
  - Investment Choice/Flexibility - responsive to participant preferences
- **Improve & Simplify Participant Access to Investments & Information**
- **Reduce Costs**
- **Eliminate Redundancy**
- **Positioned to meet evolving federal compliance requirements**

# General Discussion

- **Questions**
- **Discussion**