RIT RETIREMENT PROGRAM

“SIMPLIFICATION”

Resource Allocation and Budget Committee

February 23, 2012
RESOURCE ALLOCATION AND BUDGET COMMITTEE

Charlotte Thoms, Chairperson (NTID)
Jim Leone, Assistant Chairperson (GCCIS)
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Dan Johnson (CAST)
Bruce Oliver (SCB)
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Nancy Valentage (CHST)
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Paul Wilson (COS)
Mike Kotlarchyk (COS, At Large)
Eli Saber (KGCOE, At Large)
Gary Skuse (COS, At Large)
SUMMARY

• **Revamped** Retirement Program Investment Options

• **Formed** Retirement Plan Investment Committee

• **Promoted** Extensive Communication and Support Process
QUESTIONS
Question 1

The core funds, that employees can invest, consist of a number of mutual funds in a variety of different categories...

Is it still an option to maintain a socially-responsible fund?
Question 2

The current makeup of the Investment Committee (IC) includes representation from the various governance groups...

Is there any assurance that the current representation using various governance groups will continue?
Question 3

RIT has selected the Aon Hewitt Consulting Firm (Hewitt) to help manage RIT’s set of core funds...

What is the nature of Hewitt's contractual obligations to RIT?
BACKGROUND
WHY CHANGE?

• United States Department of Labor (DOL) has indicated that operators of 403(b) Retirement Plans (like RIT) need to more closely monitor investment choices offered to employees.
OLD PLAN

• Current TIAA CREF and Fidelity Plan offer more than 200 fund choices.

• There is a need to administer funds in a more restricted way. We cannot monitor more than 200 funds continuously.
NEW PLAN

Funds Monitored by Investment Committee

• **Basic option.** Funds monitored by RIT’s IC.

• **Brokerage option.** Funds monitored by employee. No support RIT.
Question 1 - Is it still an option to maintain a socially-responsible fund?

• RIT’s attorney’s, Nixon Peabody, will make sure the university is in compliance with applicable laws.

• Investment Committee (IC) has done a great job of selecting a number of funds that provide a balance between levels of risk and income. This includes a socially-responsible fund.
RETIREMENT PLAN INVESTMENT COMMITTEE MEMBERS (IC)

• James Watters, Chair – Senior Vice President, Finance and Administration
• Jare Allocco Allen – Assistant Controller, Controller’s Office
• Judy Bender – Assistant Vice President, Human Resources
• Renee Brownstein – Associate Director, Human Resources
• Judy DeCourcey – Senior Benefits Specialist, Human Resources
• Lyn Kelly – Controller/Assistant Treasurer, Controller’s Office
• Jeffrey Lasky – Professor, GCCIS, Information Sciences & Technologies
• Paul Lepkowski – Enterprise Information Security Lead Engineer, Information Security Office
• Michael Lutz – Professor, GCCIS, Software Engineer
• Daniel Tessoni – Assistant Professor, Saunders College of Business, Accounting & Finance
• Gregory VanLaeken – Business Manager/Analyst, Global Program, Budget and Financial Planning Services
Question 2 - Is there any assurance that the current representation using various governance groups will continue to comprise the IC?

• Governance will be provided by members of various campus groups. Together they comprise the IC.

• IC will review the funds, make recommendations, and review communication plans.

• IC understands the negotiated and renegotiated fees.
Question 3: What is the nature of Hewitt's contractual obligations to RIT?

• Hewitt has an annual contract with RIT.

• Hewitt has a contract with RIT as a result of a Request for Proposal (RFP) process that resulted in 8-10 candidates.

• Hewitt works with University of Rochester, Syracuse University, Yale, Columbia, Drexel, Cornell, Dartmouth, and many other institutions.
Question 3: What is the nature of Hewitt's contractual obligations to RIT?

• Identify best in-class funds

• On-going monitoring

• Negotiate with vendors for best pricing
QUESTION 1

1. Is it still an option to maintain a socially-responsible fund?

ANSWER: YES
QUESTION 2

2

• Is there any assurance that the current representation using various governance groups will continue to comprise the IC?

ANSWER

• YES!
QUESTION 3

3

• What is Hewitt’s contractual role?

ANSWER

• Identify, monitor, negotiate, and counsel only regarding those funds within the menu they suggest.
SUGGESTED ACTION

Attend Training or watch video on HR Website

- January - May
- No decision—default
- Annual reports

ADVISE OTHERS TO GO TO TRAINING
QUESTIONS?

JAMES WATTERS WILL ACCOMMODATE YOU!