



BALL STATE
UNIVERSITY

August 2020

Important Changes to Ball State's Retirement Plans

Dear Faculty and Staff:

We are making improvements to the Ball State University Alternative Pension Plan (APP) 403(b), Tax Deferred Account (TDA) 403(b), and 457(b) Deferred Compensation Plan effective November 2, 2020. At Ball State, our faculty and professional employees are offered the APP 403(b) plan and all employees may elect to contribute voluntarily to the TDA 403(b) plan and/or the 457(b) plan. PERF/TRF retirement plans are administered by the State of Indiana and not included in this change.

In 2019, as part of our ongoing commitment to deliver a benefits package that promotes the financial wellbeing of our employees, the University initiated a comprehensive review of the Ball State University 403(b) and 457(b) retirement plans. I led a review conducted by the University's Retirement Plan Advisory Committee, composed of staff, service, professional, and faculty representatives. Our committee was guided by expert consultants.

The committee researched best practices and evaluated recent retirement benefit changes that have transpired at other universities, including Indiana University. The goal of our research and review was to ensure that our plans continue to meet industry best standards and practices, while saving our employees money and providing more transparent investment and fee information.

After thorough evaluation and careful consideration of financial practices that are in the best interest of our employees, based on the unanimous recommendation from me and the committee, we will be moving to a sole recordkeeping service provider and a more transparent investment menu. A recordkeeping service provider is the vendor responsible for completing the day-to-day administrative functions of the retirement plan.

We recognize making changes to your retirement plan may prompt questions, and we know this is important and personal to you. We are committed to providing you support during this time of transition. Answers to some anticipated questions follow.

What Is Not Changing?

- **Our commitment to your financial wellbeing.** We will continue to provide a robust retirement program that supports your financial planning and retirement readiness. By moving to a single recordkeeping service provider, employees will incur lower costs, which result in more money in your account.
- **No changes to the benefit level.** Your retirement plan eligibility and the employer contribution rate will remain the same. Any voluntary employee contribution rates will also remain the same, unless you change your election.
- **Existing account balances will remain with your current investment company.** Your current account balances at Fidelity, TIAA, Voya, Lincoln, One America, or AXA will remain at that company in the same investments. However, you may elect to transfer these balances to Fidelity and invest in the new, best in class investment menu. Any transfers may be subject to the terms of your individual investments or annuity contracts.
- **PERF/TRF retirement plans are not impacted.** PERF/TRF retirement plans are administered by the State of Indiana and not included in this change.

What Is Changing?

- **We selected Fidelity as the sole recordkeeping service provider for the Ball State University 403(b) and 457(b) plans. Fidelity will receive contributions made on or after November 2, 2020.** We selected Fidelity due to its leadership, expertise, and ability to effectively help you meet your retirement planning needs. This change will reduce overall administration fees and enable the University to offer additional retirement plan services to support the financial wellbeing of our employees.
- **A new streamlined, best in class investment menu will be offered.** The new menu will include a selection of best in class investment options that are highly rated and offer lower fees, which will result in more money in your account. You will be able to create a diversified retirement portfolio from this new menu. Investment options will be organized into tiers designed to help you make informed investment decisions to support retirement readiness.
- **Fees under the Ball State retirement plans will be more transparent.** Administrative expenses will be a separate fee for greater transparency and equitability. The administrative expense will appear as a separate fee on your account statements.

What You Need to Know

You will be supported and guided every step of the way. We developed the transition plan with a purpose—your financial wellbeing and retirement readiness. We will provide access to professionals to guide you every step of the way. We are committed to providing you with the information and assistance you need to understand and take full advantage of these enhancements. In addition to information on the website at myfidelitysite.com/BallState, the following resources will be available to you over the next several months.

October 2020	Transition Guide A comprehensive transition guide will be mailed to your home and will also be available online. This transition guide will explain the enhancements in detail, outline key dates, and help you understand what actions, if any, you need to take.
October— November 2020	Seminars and Individual Consultations Educational seminars and an expanded calendar of individual financial consultations with representatives from Fidelity will be available.
November 2, 2020	Effective Date The retirement plan enhancements will go into effect November 2, 2020. Representatives from Fidelity will continue to be available for individual financial consultations and assistance.

What You Need to Do

There is no immediate action required. In the coming weeks, you will receive *Planning with Purpose, WE FLY* email communications that will explain what actions you need to take. You should review these communications carefully.

We are committed to helping you prepare for your financial future.

Sincerely,



Alan Finn
Vice President for Business Affairs and Treasurer