

## 2020 Changes to the Harvard University Retirement Programs

### Frequently Asked Questions

**AUGUST 7, 2020, UPDATE:** Due to the COVID-19 pandemic and resulting stock market volatility, Harvard postponed the transfer of all existing balances at Fidelity, TIAA, and Vanguard to the new TIAA administrative platform. The transfers have now been rescheduled and will take place in September. You can review the new timeline for transfers in the first FAQ below.

The FAQs below have been revised to reflect the most recent updates.

#### 1. What is the timing for the transfer of balances to new investment options at TIAA?

The new 2020 dates to note are:

- **September 9 - 25**—Blackout period for participants with Fidelity or Vanguard accounts.
- **September 9**—Transfer of any TIAA mutual fund account balances currently in funds that are not part of the new investment lineup. (Balances in annuities will not transfer.)
- **September 15**—All remaining account balances with Fidelity or Vanguard transfer.

#### 2. What are the changes to the Retirement Programs?

Harvard is moving to a single platform for retirement plan administration and recordkeeping.

- **TIAA will be the sole recordkeeper and will manage the single platform for all Harvard retirement plan investment accounts.** This includes investment accounts in the following: Faculty and Staff Retirement Programs, Tax-Deferred Annuity (TDA) Plan, 457(b) Deferred Compensation Plan for Certain Faculty and Staff.
- **There is a new, simplified investment lineup.** The investment choices include a number of the mutual funds and annuities that were previously available, along with new options selected for the Harvard plans. These investment selections, provided by Vanguard and TIAA, as well as a Treasury inflation-protected securities (TIPS) fund from Schwab, allow you to create an investment strategy that aligns with your investment preferences and financial goals. The Vanguard target-date funds will remain as the default investment for the plans. The updated investment lineup and transition details are described in [Your Guide to 2020 Retirement Program Changes](#), mailed to your home on February 18, 2020, and [Transfer of Retirement Plan Balances](#), mailed to your home on August 7, 2020.
- **Fidelity funds are no longer included in the core investment lineup.** Investments currently with Fidelity will transition to funds in the new core lineup. Participants can select Fidelity funds through a TIAA Brokerage account if they wish.
- **A self-directed brokerage option is available through TIAA.** Additional communications were mailed to those with Vanguard or Fidelity brokerage accounts on February 21, 2020. Most information you received remains the same; however, please note that a new brokerage account was set up for you with TIAA on **April 14, 2020**. If you opened a brokerage account through Fidelity or Vanguard after March 20, 2020, a new TIAA Brokerage account will be

set up for you. Any future brokerage contributions you make will be directed to the new TIAA Brokerage account.

### 3. What are the key dates for all 2020 changes related to moving to the TIAA platform?

- **August 7**—Additional information about the transfer of account balances will be mailed to participants with a Fidelity or Vanguard account.
- **September 9 - 25**—A blackout period will restrict activity in Fidelity and Vanguard accounts during transfer of data and assets to TIAA.
- **September 9**—TIAA mutual fund account balances currently in funds that are not part of the new investment lineup will transfer. (Balances in annuities will not transfer).
- **September 15**—All remaining account balances with Fidelity or Vanguard will transfer.

Important note: The date of the transfer/the end of the blackout period depends on the accurate, timely transfer of data and assets from Fidelity and Vanguard to TIAA. If this does not occur, the transfer/blackout period could be extended.

Faculty and staff do not need to take any action at this time. The transition details are in the [Transfer of Retirement Plan Balances](#) booklet mailed to your home on August 7, 2020, and are also available online at [TIAA.org/harvard](https://www.tiaa.org/harvard).

### 4. Why are the changes being made?

The decision was made after the Harvard Defined Contribution and Defined Benefit Investment Committee (composed of Harvard faculty, Human Resources, and finance leaders) conducted a request for proposal (RFP) and extensive review of the University's Retirement Programs. The changes are part of the University's ongoing commitment to offer retirement programs that help participants plan for and build long-term financial security. The committee regularly evaluates and periodically updates the retirement plans with new investment options, innovative services, and more efficient ways to save and invest.

#### **Once completed, the changes will offer these important benefits to plan participants:**

- Easier to invest, manage, and track Harvard accounts through a single recordkeeper
- Single quarterly statement that shows all of a participant's Harvard retirement plan investments and account activity
- One website where participants can manage beneficiary designations, account information, and Harvard retirement plan investments
- One participant services phone number for plan inquiries and assistance
- TIAA financial consultants who help select retirement plan investment options *at no additional cost*
- Easy access to the entire investment lineup and other plan information and features like plan highlights, quarterly statements, loans, online tools, and resources through one recordkeeper

### 5. Who is affected by the changes?

Current and former faculty and staff (and their beneficiaries) with balances in the following:

- Retirement Income Plan for Teaching Faculty of Harvard University
- Harvard University 2001 Staff Retirement Program

- Harvard University 1995 Retirement Program
- Harvard University Tax-Deferred Annuity Plan
- Harvard University 457(b) Deferred Compensation Plan for Certain Faculty and Staff

## 6. What's not changing?

- **Harvard's retirement plan contributions are not changing.** Harvard will continue to provide a fully employer-paid retirement program to benefits-eligible faculty and staff.
  - Harvard continues to contribute an amount equal to 5% - 10% (for faculty and staff under age 40) and 10% - 15% (for those age 40 and over) of eligible compensation to the defined contribution retirement accounts for benefits-eligible employees.
  - Harvard continues to contribute 3.5% of eligible compensation to an investment account (along with a basic account contribution) in the 1995 Retirement Program in effect for employees in certain service and trade unions.
  - There are no changes to the plan vesting period (the time at which employees own, or become "vested" in, the employer contribution).
- **The default fund—the Vanguard target-date fund closest to the year a participant turns age 65—will remain unchanged.** Participants invested only in the default fund will retain the same Vanguard target-date fund, but with TIAA as recordkeeper.
- **The TDA plan (with both traditional and Roth options) will remain available** to eligible employees who want to make voluntary contributions and accumulate additional retirement savings. Roth is only available to certain eligible employees. There will be no changes to TDA auto enrollment and auto escalation features.
- **The 457(b) plan** will also be available to eligible employees who want to make additional voluntary contributions from their pay.

## 7. Do I need to take any action as a result of the transfer of balances to investments at TIAA?

In most cases, you will not need to take action because any mutual fund balances with TIAA and all balances with Fidelity and Vanguard will transfer automatically. However, you may want to:

- Review and update your beneficiary information with TIAA. If you have accounts with both Fidelity and Vanguard and do not make a designation at TIAA, your beneficiary will be set to the default designation (such as Surviving Spouse, Children, or Estate) as outlined in the [Harvard Summary Plan Descriptions](#).
- Complete a spousal waiver form if you are married and have named a beneficiary other than your spouse. Even if you previously signed this for your Harvard account(s) at Fidelity and/or Vanguard, you must complete a new waiver.
- Review brokerage account investments if you invest in the funds that cannot be transferred in kind. These will be liquidated at the time of conversion, with proceeds held as cash in your TIAA Brokerage account. Detailed information was sent on February 21, 2020, if you are affected by a brokerage account transfer. If you opened a brokerage account with Fidelity or Vanguard after March 10, 2020, this information will be mailed to you on August 10, 2020.

Any brokerage balances at Fidelity or Vanguard will transfer to TIAA Brokerage on September 15, 2020.

You can also take this opportunity to review all of your investment choices. If you would like to have help from a TIAA financial consultant, schedule a virtual session online at [TIAA.org/schedulenow](https://www.tiaa.org/schedulenow), or call **800-732-8353**, weekdays, 8 a.m. to 8 p.m. (ET).

#### **8. What happens if I currently receive regular payments or have outstanding loans?**

If you currently receive income or distribution payments from Fidelity or Vanguard, your new TIAA account will continue to offer the same retirement income options. Payments you expect to receive from Fidelity or Vanguard in September may arrive earlier than usual due to the scheduled transfer of account balances. Beginning in October, payments will come from TIAA. This change will take place automatically, so no action is required.

If you have a loan, continue making loan payments as you have been.

#### **9. Where can I find information on the new fees for the Faculty and Staff Retirement Programs, TDA Plan, and 457(b) Plan?**

With the change to TIAA as sole recordkeeper for the Harvard Retirement Programs, the University has reduced overall retirement plan management costs, as well as plan fees for most participants. A complete list of fees by plan and investment option is in [Your Guide to 2020 Retirement Program Changes](#), which was mailed to your home on February 18, 2020, and is available online at [TIAA.org/harvard](https://www.tiaa.org/harvard).

#### **10. How can I access my new TIAA retirement plan account and plan information?**

**Online:** Visit [hr.harvard.edu](https://hr.harvard.edu) and select *Total Rewards* from the main navigation menu, then *Retirement*, where you can find a link to the “Harvard University Retirement Center (HURC)” and to TIAA’s website to view your account information.

**Phone:** Call the Harvard Retirement Center at **800-527-1398**. Consultants are available to help weekdays, 8 a.m. to 5 p.m. (ET).

#### **11. Where can I get more information and assistance?**

The Benefits Office is hosting online webinars to help answer your questions. You can find details on HARVie. To add a meeting to your calendar and join the meeting, go to [hr.harvard.edu](https://hr.harvard.edu). Select *Total Rewards* from the main navigation menu, then *Retirement*.

TIAA financial consultants are also available to help you select specific investment options from Harvard’s plan lineup (fund-level advice). You can meet with a consultant either virtually or by phone. There is no fee for this service.

TIAA maintains a local office at 97 Mount Auburn St.; however, all individual consultations are held virtually or by phone at this time. Schedule a virtual session at [TIAA.org/schedulenow](https://www.tiaa.org/schedulenow), or call **800-732-8353**, weekdays, 8 a.m. to 8 p.m. (ET).

## 12. What happens to balances I have with the current service providers?

Here's an overview of how your account balances will automatically transfer if you currently have investments in a lifecycle fund, core fund, or annuity:

- **TIAA account only**—Balances will automatically transfer to options in the new investment lineup as described in the [guide](#).
- **Vanguard account only**—A new TIAA account was opened for you. Balances will automatically transfer to TIAA as described in the [guide](#).
- **Fidelity account only**—A new TIAA account was opened for you. Balances will automatically transfer to TIAA and be directed to options in the new investment lineup as described in the [guide](#).
- **Balances at two or more service providers**—Balances will all automatically transfer to your TIAA plan account and be directed to options in the new investment lineup as described in the [guide](#).

## 13. How will existing Fidelity and Vanguard brokerage account balances transfer?

A new brokerage account was automatically set up for you with TIAA, and future contributions are being directed to your new brokerage account, if applicable.

On September 15, 2020, your investment balances will transfer in kind (if available) to your brokerage account with TIAA.

Complete details were sent to you in February and are also available on [TIAA.org/harvard](https://www.tiaa.org/harvard). If you opened a brokerage account with Fidelity or Vanguard after March 10, 2020, this information will be mailed to you on August 10, 2020.

## 14. Will I need to take any action to continue investing in a target-date fund?

No action is needed if you are currently in a target-date fund and want to continue in this type of investment. Your investments will continue as follows:

- If you currently invest in a Vanguard target-date fund, you'll remain in that target-date fund, but with your new account at TIAA.
- If you currently invest in a TIAA lifecycle or Fidelity target-date fund, future contributions will be automatically directed to the Vanguard target-date fund closest to the year you turn age 65, with your account at TIAA.

## 15. Why is there a “blackout period” for Fidelity and Vanguard accounts?

A blackout period is needed to facilitate the transfer of existing investment balances from one service provider to another, in this case from Fidelity and Vanguard to TIAA. The blackout period will begin on September 9, 2020, at 4 p.m. (ET) and is expected to end no later than September 25, 2020. Current TIAA balances are not affected by the blackout period.

During this time, plan participants who currently have Fidelity and/or Vanguard accounts will not be able to view their balances, make investment changes, initiate any withdrawals or

distributions, or access their retirement accounts. In most cases, invested assets are not “out of market” for more than one business day.

Any scheduled payroll contributions to the plans will continue to be deducted from participant paychecks during the blackout period. On September 15, 2020, investment balances with Fidelity and Vanguard are expected to transfer to new accounts at TIAA and will be directed to the new investment options.

**Note: Participants with Fidelity and/or Vanguard accounts will not be able to see balances transferred to TIAA until the blackout period ends.**

**16. Can I continue to invest in funds that will no longer be part of the investment lineup? If so, are there additional costs?**

A TIAA Brokerage account provides you with the option to invest in many of the funds no longer offered through your plan’s investment lineup. Once retirement plan accounts have been established with TIAA, you can open a TIAA Brokerage account and transfer balances or direct future contributions. TIAA Brokerage offers access to a broad range of mutual funds, including some Fidelity, TIAA, and Vanguard funds no longer in the investment lineup. Some brokerage fees will apply. Visit [TIAA.org/SDA\\_CAA](https://www.tiaa.org/SDA_CAA) for a complete list of commissions and fees. Note that with the transition to TIAA Brokerage, trading fees will be waived through April 2, 2021.

Be aware that Harvard neither selects nor monitors investment funds available through participant brokerage accounts, and TIAA doesn’t offer investment advice on brokerage investments.

**17. Can I keep existing Harvard retirement account balances with the current service providers and direct future contributions to the new recordkeeper?**

No. All Fidelity and Vanguard Harvard retirement account balances will move to your new account with TIAA.

**18. Why have so many of the investment options available for the past 10 years been removed from the investment lineup?**

After careful review by the Harvard Defined Contribution and Defined Benefit Investment Committee (composed of Harvard faculty, Human Resources, and finance leaders), the new lineup was chosen to provide diverse, cost-effective investment options while eliminating the redundancy of carrying similar funds from multiple service providers. This helps simplify the investment selection process while still providing the opportunity for you to build a well-rounded portfolio across asset classes.

**19. How can I open a brokerage account?**

If you currently have a TIAA retirement plan account, you can open a TIAA Brokerage account online or by calling TIAA Brokerage at **800-927-3059**, weekdays, 8 a.m. to 7 p.m. (ET).

## 20. What happens if I'm already retired?

Your balances with Fidelity or Vanguard, or any balances in the TIAA mutual funds, will automatically transfer to the new investment options with TIAA. While it's possible to move your money from the Harvard plans to an Individual Retirement Account (IRA), there are benefits to staying in the Harvard plans that may be valuable to you. These include:

- **Investment oversight**—Harvard provides ongoing review of the plans' investment options.
- **Lower-cost investments**—Investments are offered at the lowest available cost. Lower fees on many of the plans' investment options have been negotiated by the University.
- **Help when you need it**—TIAA financial consultants are available to answer questions and assist you with the selection of investments *at no additional cost to you*.

## 21. Will my beneficiary designations transfer from Fidelity and/or Vanguard?

The beneficiary information associated with your Harvard retirement plan account transferred to your new TIAA account *if you invest solely with either Fidelity or Vanguard*. However, if you have accounts with **both** Fidelity and Vanguard, the beneficiary for your new TIAA account was automatically set to the default designation (such as Surviving Spouse, Children, or Estate) as outlined in the [Harvard Summary Plan Descriptions](#). It's important that you review and provide any updates to your beneficiary information by logging in to your new TIAA account or calling the Harvard Retirement Center at **800-527-1398**, weekdays, 8 a.m. to 5 p.m. (ET).

**Please note:** A new signed spousal waiver form will be required if you are married and have named a beneficiary other than your spouse, even if you have previously signed such a form with Fidelity and/or Vanguard.

## 22. Why am I being asked to set up a Roth allocation if I'm not making Roth contributions?

TIAA's recordkeeping platform requires a Roth allocation for all plan participants, even if you are not making Roth contributions.