2020 Changes to the Harvard University Retirement Programs
Frequently Asked Questions

1. 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 will be a new, simplified investment lineup.** The investment choices will include a number of the currently available mutual funds and annuities, along with new options that have been 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, will 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*, which was mailed to your home on February 18, 2020.

- **Fidelity funds will no longer be 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 will be available through TIAA.** There will be a transition plan and additional communications for those who currently have a brokerage account with Vanguard or Fidelity. These communications will be mailed to homes on February 21, 2020.

2. When will this happen?

The changes will begin on April 3, 2020, and are expected to be complete by April 24, 2020. Faculty and staff do not need to take any action during the transition in order for their accounts to move to TIAA as recordkeeper. The transition is described in detail in *Your Guide to 2020 Retirement Program Changes*, which was mailed to your home on February 18, 2020.

3. 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.

The changes offer these important benefits for 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 advisors who help select retirement plan investment options at no additional cost.
• Easy access to the entire investment lineup, as well as other plan information and features like plan highlights, quarterly statements, loans, online tools, and resources through one recordkeeper.

4. 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

5. 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.

6. Do I need to take any action during the transition?

In most cases, you will not need to take action because accounts and balances will transfer automatically. However, you may want to:
• Review and update your beneficiary information. If you have accounts with both Fidelity and Vanguard, 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 had 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. More detailed information will be sent on February 21, 2020, if you are affected by a brokerage account transfer.

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

7. What happens if I currently receive regular payments or have outstanding loans?

There will be no interruption in distribution payments. If you currently invest with TIAA, you will continue to receive payments from your TIAA account. If you currently invest with Fidelity or Vanguard, you will receive distributions from your new TIAA account. If you have a loan, continue making loan payments as you have been. If any action regarding distribution payments, loans, or direct deposits is needed, you will be sent a letter with more information in March.

8. 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.

9. How can I access my current retirement plan account and plan information?

Online: Visit hr.harvard.edu and choose “Retirement” near the bottom of the page. You can select “Harvard University Retirement Center (HURC)” and log in to view your account information. You can also visit your service provider’s website to access your account.

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

10. Where can I get more information and assistance?

In addition to Your Guide to 2020 Retirement Program Changes, the Benefits Office is hosting several informational meetings and online webinars to help answer your questions. You can find details on HARVie. To add the meeting to your calendar and join the meeting, go to hr.harvard.edu. Select Total Rewards from the main navigation menu, then Retirement.
TIAA advisors are also available to help you select specific investment options from Harvard’s plan lineup (fund-level advice). You can meet one-on-one with a TIAA advisor. There is no fee for this service.

TIAA maintains a local office at 97 Mount Auburn St. and also offers individual meetings at various sites on campus. Schedule a consultation by going online to TIAA.org/schedulenow or by calling 866-843-5640, weekdays, 9 a.m. to 5 p.m. (ET).

11. What happens to investments and balances I have with the current service providers?

The transition of your account investments and balances is described in detail in Your Guide to 2020 Retirement Program Changes, mailed to your home on February 18, 2020. Here’s an overview of how your account balances and any future contributions will automatically transfer if you currently have investments in a lifecycle fund, core fund, or annuity:

- **TIAA account only** — Balances and future contributions will automatically transfer to options in the new investment lineup as described in the guide.
- **Vanguard account only** — A new TIAA account will be opened for you. Balances and any future contributions will automatically transfer to TIAA as described in the guide.
- **Fidelity account only** — A new TIAA account will be opened for you. Balances and any future contributions 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. Future contributions will default to the Vanguard target-date fund that corresponds to the year you turn 65, as described in the guide.

12. How will existing brokerage account balances transfer?

A new brokerage account will be automatically set up for you with TIAA, and your balances will transfer in kind (if available). Any future contributions will also be directed to your new brokerage account, if applicable. Once the transfer is complete, you may make contributions directly to brokerage-specific investments.

When a balance transfers in kind, it means your holdings will not be sold and repurchased; your holdings transfer directly from Vanguard or Fidelity to your new account with TIAA and remain fully invested during this period.

In some cases, funds cannot transfer in kind. They will be liquidated at the time of conversion, and proceeds will be held as cash in your TIAA Brokerage account. More detailed information will be sent on February 21, 2020, if you are affected by a brokerage account transfer.

13. 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, depending on your current investments:

- 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 (the new Harvard retirement plan recordkeeper).
- If you currently invest in TIAA lifecycle or Fidelity target-date funds, balances and future contributions will automatically transfer to the Vanguard target-date fund closest to the year you turn age 65, with your account at TIAA. If you’re currently invested in a target-date fund
with TIAA or Fidelity that isn’t aligned with the year you turn age 65, you can decide if you want to access your account after the transition is complete to transfer those assets and any future contributions to your preferred target-date fund.

14. **Why is there a “blackout period” for Fidelity and Vanguard accounts?**

A blackout period is needed to facilitate the smooth 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 April 6, 2020, at 4 p.m. (ET) and is expected to end no later than April 24, 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 April 14, 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.

15. **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](http://TIAA.org/SDA_CAA) for a complete list of commissions and fees.

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.

16. **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 retirement account balances will move to new accounts with TIAA.

17. **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.

18. How can I open a brokerage account?

You can open a TIAA Brokerage account online within your retirement plan account or call TIAA Brokerage at 800-927-3059, weekdays, 8 a.m. to 7 p.m. (ET). If you currently have a TIAA account, you can open a brokerage account starting April 3, 2020. If your retirement plan account is with Fidelity or Vanguard, you can open a brokerage account once your TIAA account is opened on April 9, 2020.

19. What happens if I’m already retired?

If you take no action, your account will automatically remain with or transfer to TIAA. You won’t be able to maintain an existing Harvard retirement plan account with Vanguard or Fidelity. 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.
- **Low-cost fees** — 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 needed** — TIAA advisors are available to answer retirement planning questions and assist you with the selection of investments.

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

The beneficiary information associated with your Harvard retirement plan accounts will transfer to your new TIAA account if you invest solely with either Fidelity or Vanguard. However, if you have accounts with both Fidelity and Vanguard, your beneficiary will be set to the default designation (such as Surviving Spouse, Children, or Estate) as outlined in the Harvard Summary Plan Descriptions. You can update your beneficiary information beginning April 8, 2020, by logging into 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.

21. If I’ll be out of the country for an extended period of time, can I designate beneficiaries for my TIAA account now?

You can update your beneficiary information beginning April 8, 2020. If circumstances require you to make changes before this date, please contact Harvard Human Resources Benefits at benefits@harvard.edu or 617-496-4001.