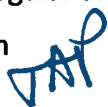


## OFFICE OF THE CHANCELLOR

## MEMORANDUM

**TO:** USM Staff (Regular and Contingent II Status) and Faculty Employees

**FROM:** Jay A. Perman  
Chancellor 

**DATE:** February 5, 2020

**RE:** Changes to the University System of Maryland Supplemental Retirement Plans

I am pleased to inform you that, to better serve our employees' retirement savings goals, several changes to the USM's supplemental retirement plans effective February 18, 2020 have been approved by the Board of Regents. These changes include improved investment options, services and tools. For those already enrolled in a supplemental retirement plan, additional details regarding these changes will be distributed to you by Fidelity and TIAA in the coming weeks.

- **New Roth option**

This new retirement savings option allows you to make voluntary after-tax contributions to your account now and withdraw tax free dollars when you retire.

- **Updated investment menu and the addition of a self-directed brokerage option**

Three new mutual funds are being added to the plan, along with a "self-directed brokerage window" that will be offered through Fidelity and TIAA. Be advised that only mutual funds will be available through the brokerage window, no more than 95% of your account balance may be invested in the brokerage window, and the BOR will not monitor investments in the self-directed brokerage window.

- **Change to retirement plan fees**

The annual fee for record-keeping and administrative services will be a fixed fee of \$45 per participant for both Fidelity and TIAA. The fee will apply to all participants with a balance in a supplemental retirement plan. It will be deducted on a quarterly basis (\$11.25 per quarter) and will appear on your statement. This new approach reflects the

USM's commitment to transparency and fairness in disclosing retirement plan costs and fees.

- **New TIAA Retirement Choice (RC) and Retirement Choice Plus (RCP) Contracts**

For TIAA only, the current "Retirement Annuity" contract will be replaced by the "Retirement Choice" contract and the "Supplemental Retirement Annuity" and "Group Supplemental Retirement Annuity" contracts will be replaced by the "Retirement Choice Plus" contract. For those participants currently enrolled in one of these options, your investment allocations will be transferred to the same investments within the new contracts.

While no action is required of you as a result of these updates, you may wish to take this time to review your accounts, beneficiary designations and investment elections. For those currently enrolled in the University System of Maryland Supplemental Retirement Plan, please review the communications you receive from Fidelity and TIAA for more information about these enhancements. For those of you who would like to enroll, please consult with Fidelity, TIAA or your Agency Benefits Coordinator prior to filling out your enrollment and payroll deduction forms.

We encourage you to continue saving towards your retirement and to communicate regularly with your vendor.

Should you have any questions, please contact your Agency Benefits Coordinator. For more information relating to these changes, please contact Fidelity at 1-800-343-0860 or TIAA at 1-800-842-2252.

cc: Presidents  
Vice Chancellors  
Chief Human Resources Officers  
Benefits Coordinators