

## OUS Retirement Advisory Committee

### Status Report

The Advisory Committee has held two meetings at Clackamas Community College (January 20 and February 3). Two to four additional meetings are planned.

1. Concerns that the Advisory Committee would be expected to rubber-stamp a plan that has already been finalized appear to be unfounded at this point. The discussions have been very open, and there have been explicit assurances by OUS representatives that if aspects of the proposed plan (presented as a “straw proposal” to facilitate concrete discussion) are unsuitable to the Committee, they will likely be changed.
2. Minutes of the Advisory Committee meetings are posted, and a means to provide comments/ask questions has been provided via <http://www.ous.edu/dept/hr/benefits/redesign.php>
3. Issues discussed include:
  - imminent new federal regulations and guidelines regarding 403(b) [TDI] plans dictate changes to the existing arrangement
  - a single record-keeper can potentially provide convenience to participants and reduction in the cost of record keeping (estimates range from 0.20% per year to 0.50% per year)
  - the federal changes above do not apply to 401(a) plans [ORP], but bringing ORP resources to the negotiations with vendors is essential to negotiating and realizing the estimated cost savings
  - because participation in ORP is mandatory (for employees opting out of PERS), whereas participation in TDI is voluntary, the commitment is to reduce costs for TDI participants without increasing (and hopefully decreasing) costs for ORP participants. Fee reductions are achieved in part by shifting funds to lower institutional fee rates.
  - there is potential convenience to participants from having single-statement record-keeping encompass both ORP and TDI for employees who participate in both plans, and there is potential reduction in complexity of choosing if the menu of choices for the two plans is (substantially) identical
  - in addition to potential convenience and cost-savings to ORP participants, there is the prospect of considerably improving and expanding the menu of investment products beyond the four (TIAA-CREF, VALIC, American Century and Scudder) vendors that are currently available
  - the question arose whether the OUS Investment Committee, which has responsibility for the menu of investment choices available in the ORP Trust and the TDI plan, has an obligation to retain all current investment choices in the future. Committee members emphasized the need to retain key current investment choices, likely through the self-directed investment option, at no additional fee.
4. What the menu might look like (One potential view of the OUS Investment Menu)

