



UW System

Tax-Sheltered Annuity (TSA) Review Committee Meeting

Friday, April 30, 2021 – 9:30 am to 11:00 am

via WebEx Conference

Members Present:	J. Michael Collins (Chair), Rashika Kamal (Vice Chair), Anoop Dhingra, Ann Iverson, Will Mass, Syed Moiz, David Miller, Dave Schalow, Kimberly Sipiorski
Members Absent:	None
Staff:	Brianna Greenwood, Jennifer Lattis, Sean Nelson, Charles Saunders, Rose Stephenson
TSA Providers:	Leteka Bojanowski, TIAA; David Bruce, Fidelity; Shawn Alvino, T. Rowe Price; Julie Kruser, Lincoln
Consultants:	Leon Kung, Aon Investments; Lindsay Stortz, Willis Towers Watson
Guests:	Erin Schoonmaker, UW System Administration, HR

Meeting called to order at 9:32 a.m.

1. Welcome and Introduction

Michael Collins welcomed those attending. Members of the TSA Review Committee, staff, providers, consultants, and guests introduced themselves.

2. Review and Approval of October 16, 2020 and February 26, 2021 TSARC Meeting Minutes

MOTION: Anoop Dhingra made a motion to approve the minutes of the October 16, 2020 and February 26, 2021 TSARC meetings. Rashika Kamal seconded. Motion passed unanimously.

3. Update on Implementation of New Structure

Rose Stephenson reported she is currently working with representatives from TIAA and Fidelity on the service level agreements. Due to contracts still in discussion, expected approval has been moved from the June to the July Board of Regents meeting. Staff, with input from the TSARC members, will work on governing documents over the summer months.

TSA staff published the TSA Program Enhancements webpage on February 15, 2021, to assist in communicating upcoming changes to employees. The name change from University of Wisconsin Tax-Sheltered Annuity (TSA) 403(b) Program to University of Wisconsin 403(b) Supplemental Retirement Program (SRP) was confirmed via vote at the October 16, 2020 meeting. TSA staff will work with UW System Human Resources and Service Operations to ensure communications are coordinated to announce the name change over the summer and the program changes during Annual Benefits Enrollment (September 27, 2021 – October 22, 2021). Conversion to the new structure will be on January 1, 2022.

Rose asked if any TSARC members or staff had heard questions or concerns on campus. None have been reported.

4. Investment Review – Leon Kung, Aon Investments USA Inc.

Leon Kung reviewed the first quarter 2021 watch list for the new investment lineup. He reported that the Vanguard target date funds and passively managed funds were in good standing, with no action needed to be taken. For the core active options, he noted the Boston Trust remained on “yellow” watch list status.

Leon indicated that the economy has been doing well due to ongoing government stimulus and the impact of coronavirus vaccinations. He reviewed funds returns respective to their benchmarks, noting situations in which there were exceptions to, or comments on, the targeted performance, company structure, or other relevant aspects of the proposed funds against the 403(b) Plan’s Investment Policy Statement. Based on the materials provided, TSARC members concluded that it would be in the best interests of the Plan’s participants and beneficiaries to make no changes to the proposed investment lineup.

5. TSARC Communication Subcommittee Report: Communication Plan – TSARC Communication Subcommittee and Lindsay Stortz, Willis Towers Watson

Lindsay Stortz provided an overview of the communication timeline from July 2021 to early 2022. She indicated that all work would need to be completed in that time.

6. TSARC Communication Subcommittee Composition; UW 403(b) SRP Tagline

Lindsay Stortz asked TSARC members to vote for one of two options for the program tagline: “Investing in Your Financial Future” or “Saving for Your Financial Future.” She mentioned a comment from the discussion at the last meeting – that younger participants are more interested in investing than the concept of saving.

Several members agreed that this is often the case. Other TSARC members agreed they preferred “investing” versus “saving.” One member commented that though he had initially liked “saving” better, now with “Investing *in*” rather than “Investing *for*,” he preferred that option.

MOTION: Dave Schalow made a motion to approve “Investing in Your Financial Future” as the tagline for the program. David Miller seconded. Motion passed unanimously.

Rose Stephenson asked if anyone else in the TSA Review Committee would like to be a part of the Communication Subcommittee. David Miller will join the others on the team: Michael Collins, Kimberly Sipiorski, and Syed Moiz. In addition to the Communications Subcommittee beginning work in the summer, she noted that the Investment Subcommittee will continue its work through the summer and fall.

7. TSA 403(b) Program Updates

a. Plan Administration and Operational Updates

Rose Stephenson reported that the total loans for 2020 was at an all-time low and that quarter one for 2021 was lower than usual as well.

She also noted that 15-Year Service Catch-Up requests had increased with an influx of Voluntary Separation Incentive Payouts being processed.

UW staff worked on reaching out to employees via email and through webinar education in 2020. As a result of an email sent in late October, there was an uptick in EZ Enrollments in November. Staff is sending a similar message in mid-April and expects to see similar results.

Rose also noted that there is considerable communication about the transition to single payroll, in which monthly-paid employees will move to biweekly payroll.

b. Financial Report

The financial report was included in the meeting materials for informational purposes. Rose Stephenson asked if anyone had questions. No committee member raised questions or concerns.

8. UW TSA 403(b) Plan Annual Report – Highlights

Rose provided an overview of the 2020 annual report. As of 12/31/2020, program assets are \$3.2 billion, up more than 13% from 2019. Contributions to the UW TSA 403(b) Program increased by 4.4% to \$80.8 million in 2020 from approximately \$77.2 million in 2019. Roth contributions made up almost \$12.4 million, or over 15% of the overall contributions.

The highest average participant balance is \$164,990 with T. Rowe Price, though TIAA and Fidelity average participant balances are not far behind. Rose noted that the female average balance is lower than that of male’s at the three providers that report average balances by gender (Fidelity, TIAA, and Lincoln), but more females participate in the program than males across all five providers. As expected, account balances increased as participants grew older.

Rose indicated that of the top 50 funds based on contributions, 24 were target retirement date funds. Contributions to these funds totaled almost \$25.5 million of the \$56.3 million in the top 50 investments. The top ten funds constitute almost 29% of all contributions, and the top 50 funds make up over 69% of contributions.

There was a slight decrease in enrollments this year, but there were fewer people who left the program, and thus overall participation increased slightly. A total of 9,461 participants contributed to the program at some point in 2020, about 50 more than in 2019. Across the five providers, there are approximately 20,858 participants with accounts; this does not include those with accounts at frozen providers.

9. Other

10. Next Meeting: Potential Dates Friday, September 24 or October 1?

The TSA members decided to hold the fall meeting on October 1, 2021. The tentative time will be 10:00 a.m. to 1:30 p.m.; whether the meeting will be in-person or virtual has yet to be determined.

11. Adjourn

MOTION: Michael Collins made a motion to adjourn the meeting. Syed Moiz seconded the motion. Motion passed unanimously.

Meeting adjourned at 11:01 a.m.