

**UW 403(b) Supplemental Retirement Program
Advisory Committee (SRPAC) Meeting**
Friday, May 2, 2025 – 10:00 a.m. to 1:30 p.m.
780 Regent Street RM. 126 A&B & Webcast

Members Present: J. Michael Collins (Chair), Rashika Kamal (Vice Chair), Deborah Beyer, Veena Brown, Tracy Drier, Kristi Krimpelbein, Shawna Kuether, William Mass, Syed Moiz

Members Absent: None

Staff: Noah Brisbin, Jennifer Lattis, Office of General Counsel; Julie Gordon, Vice President of Finance and Administration; Charles Saunders, Rose Stephenson, Anna Zander, Office of Trust Funds

403(b) Recordkeepers: Julie Buresh, Diron Scott, TIAA; David Bruce, Fidelity

Consultant: Dan Pawlisch, Aaron Wiemann, Aon Investments USA Inc.

Guests: Tina Howell (webcast), ATP, Universities of Wisconsin; Jack Burlingame, Veronica Hoffman, University of Wisconsin-Madison

Meeting called to order at 10:04 a.m.

1. Welcome and Introductions

Michael Collins welcomed those attending. SRPAC members, staff, 403(b) recordkeepers, consultants, and guests introduced themselves.

2. Review and Approval of November 1, 2024 SRPAC Meeting Minutes +*

The SRPAC reviewed the minutes of the November 1, 2024, SRPAC meeting. Deborah Beyer and Shawna Kuether noted that their names were misspelled.

MOTION: Rashika Kamal moved to approve the minutes from the November 1, 2024, meeting as corrected. Deborah Beyer seconded. Motion passed unanimously.

3. Report of the SRPAC Investment Subcommittee – Michael Collins, SRPAC

- a. Report on Action Taken during the February 17, 2025, Investment Subcommittee Meeting: Vanguard Total Stock Market Index Eligible for Lower Cost Share Class+*

Michael Collins reported that the SRP Investment Subcommittee met on February 17. At the meeting Aon informed the Investment Subcommittee that Vanguard Total Stock Market Index Fund had enough assets to qualify for a lower-cost share class, and the Subcommittee approved the move. The new share class will maintain the same investment strategy and risk, but the overall expenses will be lower, and the fund code and ticker will change. Dan Pawlisch noted that the fund's expense ratio went from three basis points to two – a small change that can result in substantial savings on large asset amounts. The SRPAC accepted the Investment Subcommittee report in a unanimous vote.

- b. Share Class Change Timeline

Rose thanked the Committee for revising the Investment Subcommittee Charter last year, which enabled the Investment Subcommittee to initiate the fund share class change without waiting for action from the SRPAC. She presented the timeline for moving to the new share class, along with sample notifications from both recordkeepers. The recordkeepers required 45 days to initiate the action and then, to be compliant with ERISA best practice, needed to notify participants 30 days in advance of the change. The companies were informed February 17, and the fund change is scheduled to be implemented May 13. Rose noted that a portal article will be published to communicate this change. Rose said that although she does not get many questions regarding share class changes, she does occasionally get positive feedback from participants.

4. 1Q25 Capital Markets and Performance Review+ – Dan Pawlisch, Aaron Wiemann, Aon Investments USA Inc.

Dan Pawlisch reported that the plan held \$3.3 billion in assets, although \$37 million was lost during the first quarter due to market volatility. This decline was attributed to falling U.S. equity markets and uncertainty caused by tariffs. International equity markets outperformed domestic markets, driven by increased defense spending in Europe, stimulus measures in China, and a weakening U.S. dollar. The bond market saw modest gains, supported by better-than-expected inflation data and a shift by investors from stocks to bonds.

Charles Saunders added that some of the decrease in plan assets was due to cash outflows. Many plan participants are at or near retirement age and hold larger balances, which can result in significant withdrawals. However, new participants continue to enroll with new contributions going into the plan.

Dan noted that the target date funds closely tracked their benchmarks following Vanguard's rebalancing policy changes last year. Vanguard also adjusted its fair value pricing, which impacted equities in both target date and stand-alone funds. Of the nine active managers, eight either matched or outperformed their benchmarks. The T. Rowe Price Large Cap Growth Fund was the only fund to underperform, primarily due to heavy investment in technology and the "Magnificent 7" companies. This fund remains on the watchlist, though Aon has not recommended any action at this time. Dan pointed out that all funds maintain reasonable expense ratios, and most Vanguard funds no longer underperform their benchmarks over the trailing five-year period. Dan also highlighted that Vanguard's glide path has outperformed peers over the long term and that the company recently implemented its largest fee reduction in 50 years, resulting in \$37,000 in savings for program participants.

Aaron Wiemann reported that in the first quarter, the S&P 500 declined by 4.3%, and the Russell 2000 fell by 9.5%. The weakest sectors were technology and consumer discretionary, while energy, consumer staples, and healthcare performed well. Despite short-term underperformance, the S&P 500 showed improvement over the long term.

Aaron added that while target date funds experienced short-term declines, their performance remained consistent with peer groups. He also noted moderate success in fixed income markets, although high-yield bonds slightly underperformed.

5. SECURE 2.0 Section 109 – 60-63 Catch-Up Provision – Revised Effective Date, March 1 +*

Rose Stephenson reminded the Committee that at the last meeting, the SRPAC had voted to approve the implementation of the 60–63 catch-up provision in July 2025, following the transition to Workday. She noted that the decision to delay implementation from January 1 was based on Shared Services' initial report that it would be difficult to implement the provision in HRS, the payroll system used through July. However, in December 2024, the Wisconsin Deferred Compensation Program (WDC) informed Shared Services that they would implement the Super catch-up provision January 1, 2025. As a result, Shared Services decided to implement the provision for both the WDC Program and the UW 403(b) SRP. For participants 60–63, contributions were not truncated at the 50 and over limit (\$31,000). This occurred beginning in March. Because the SRPAC's decision to delay implementation was based solely on systems limitations, Deputy General Counsel Jennifer Lattis provided an opinion supporting retroactive implementation of the provision. Participants affected by this change will be notified, and the provision will be publicized.

MOTION: William Mass moved to approve the implementation the 60–63 Super Catch-Up Provision effective March 1. Veena Brown seconded. Motion passed unanimously.

6. Report of the SRPAC Communication Subcommittee – Shawna Kuether, SRPAC

Shawna Kuether, Chair of the Communications Subcommittee, reported that during the first meeting of the revitalized Subcommittee, members reviewed the charter, the effectiveness of current initiatives, and the website, and brainstormed other ways to engage employees. The Subcommittee agreed that the most critical times to inform employees about the UW 403(b) SRP are during new hire onboarding and the annual open enrollment period. Staff will review the materials provided during new hire orientation and advocate for expanded information about the SRP in annual enrollment communications. Rose noted that the Department of Employee Trust Funds (ETF) created a new website, *My Employee Benefits*, which employees will use to enroll in benefits. Since the UW 403(b) SRP is not administered by ETF, it will not be included on this new platform, which could mean less visibility for the UW 403(b) SRP during open enrollment. Staff will work with Shared Services to identify other ways to promote the program.

7. Fee Review+

Rose informed the Committee that the Wisconsin Deferred Compensation (WDC) program had recently changed their fee structure. In 2025, there are no fees for accounts under \$5,000 and a flat fee of \$46.88 a year for those with accounts above \$5,000. Rose mentioned the UW 403(b) SRP fees are guaranteed through December 2026, and the SRPAC should begin to look into the fee structure. David Bruce mentioned that Michigan State and Minnesota have a similar fee structure as the WDC program. Julie Buresh said that TIAA had seen programs move to this structure as well. She noted that some participants with a balance of over \$5,000 may pay more in fees with this new structure. Dan stated that Aon helped Michigan State create this fee structure and would be happy to assist the committee to change the fees of the program when the time comes.

8. UW 403(b) Supplemental Retirement Program Updates

a. Plan Administration and Operational Updates+

Rose Stephenson presented the UW 403(b) SRP Update, noting that 57 loans have been issued in 2025. In 2024, 14 employees were approved for the 15-year catch-up, and nine have been approved so far in 2025. She observed that although EZ enrollments were down slightly from last year, overall participation in the UW 403(b) SRP – as reflected in the annual report – has increased.

In detailing communication efforts, Rose shared that TIAA created an enrollment presentation for the SRP website, which is linked alongside Fidelity's enrollment presentation. *America Saves Week* took place April 7–11 with 377 individuals attending workshops hosted by TIAA and Fidelity. Rose informed the SRPAC that on April 7 two separate emails were sent to employees not currently participating in the Program – one for those eligible for the WRS and another for those who are not – encouraging them to enroll. She emphasized that this was an important step in fulfilling the fiduciary responsibility of notifying employees about their eligibility to participate in the UW 403(b) SRP. Additionally, a statement was included on the May 1 paycheck promoting the SRP.

In response to Michael Collins suggestion that the website include resources in Spanish, information about webinars and flyers in Spanish from TIAA and Fidelity were added. Rose extended thanks to Anna Zander for her work on this.

b. Transition to Workday – Tina Howell, Benefits Design Team Lead Administrative Transformation Program

Tina Howell reported on the status of the UW 403(b) SRP integration with Workday. She noted that three integrations have been built—one each for Fidelity, TIAA, and Empower. All files have been fully tested and are ready to go live in July, with the first transmission from Workday scheduled for July 17. A major enhancement with Workday is that employees will be able to start, stop, and modify their contributions directly within the system, eliminating the need to submit forms to the benefits team as required under the current process. The 60–63 catch-up provision is also ready for implementation in July. Tina explained changes related to payroll deductions for employees working at multiple campuses. If a participant elects a percentage-based contribution, that percentage will be deducted from each paycheck. However, if a flat dollar amount is selected, the deduction will be taken only from the paycheck associated with the employee's primary position. This is a change from the current PeopleSoft system, which only allows contributions to be deducted from a single paycheck.

Rose Stephenson noted the Committee's interest in the progress of implementing mandatory Roth catch-up contributions for employees earning \$145,000 or more. Tina confirmed that documentation is already in place to support the addition of this provision in January 2026.

c. Financial Report+

Rose presented the Financial Report. She noted that finances have been stable, and with travel restrictions and since the UW 403(b) program is down one staff member, less revenue than expected has been needed from the providers.

d. Staffing Update – Charles Saunders, CIO, Office of Trust Funds

Charles reported that Linsey Nelson resigned in February, prior to the hiring freeze. Anna Zander has been covering her responsibilities in the interim. In the long term, the position will be reestablished. Charles also shared that Rose Stephenson plans to retire within the next year but will preside over the next SRPAC meeting in six months. The goal is to hire her successor before her retirement, with the search expected to begin in the next fiscal year. He noted that the position requires a unique combination of investment expertise and benefits/human resources knowledge, making it a challenging role to fill. Members of the Committee will be involved in the recruitment and screening process. A full recruitment effort will be conducted, considering both internal and external candidates. More updates will be provided at the fall meeting.

9. Executive Summary of Plan Activity+: Fidelity – David Bruce; TIAA – Julie Buresh, Diron Scott Fidelity

David Bruce reported on the strategies emphasized in 2024, which focused on increasing education and participation. One key strategy for 2025 will involve reaching out to the participants of frozen vendors. Fidelity has expressed interest in hosting more events in collaboration with the UW 403(b) SRP. Last year, Gary Rossi—a former FBI agent now working with Fidelity—hosted a well-attended virtual event with UW Hospital on cybersecurity. In 2025, Fidelity plans to hold a Signature in-person event in partnership with UW Hospital, to be hosted near Fidelity's offices in Middleton.

Dave highlighted the \$145,000 Roth Catch-Up provision as a valuable opportunity to promote the Roth option available to program participants. He also noted that 83% of participants are now fully digitally ready, an improvement over last year.

Rose mentioned that the ATP file process now includes participants' business email addresses, allowing recordkeepers access to this contact information. Dan asked whether recent market volatility had led to increased participant outreach to Fidelity. Dave responded that, overall, there was no significant change, though a few days did see spikes in call volume. Rose added that Will Maas had inquired whether providers were proactively contacting participants about market volatility. Both Fidelity and TIAA responded by distributing information and updating their websites with additional resources.

TIAA

Diron Scott, Managing Director – Retirement Solutions, discussed the significant organizational changes that have recently taken place at TIAA. Several months ago, there was a reduction in staff, particularly within the Retirement Solutions division. Diron assured the group that most of these staffing reductions have now been completed. He mentioned that TIAA has also entered into a partnership with Accenture. As part of this transition, many operational staff members formerly employed by TIAA are now employees of Accenture. Diron noted that they have already observed operational improvements resulting from these changes. Importantly, participant data will remain with TIAA. While Accenture has access to the data, it is not permitted to store any data on its own servers.

Julie Buresh, Relationship Manager, began by introducing herself and sharing that TIAA currently manages \$2 billion in assets. She reported that contributions are higher than last year, although this figure includes rollovers. Attendance for America Saves Week increased by 150% last year and continued to grow in 2025. Additionally, individual counseling sessions have risen and are projected to be up 13% this year.

Julie also noted that many participants reached out to TIAA with concerns about market volatility. On April 7th, contact volume surged to 40% above anticipated levels.

10. 2024 UW 403(b) SRP Annual Report+ – Highlights

Rose Stephenson presented the 2024 UW 403(b) SRP Annual Report. She reported that program assets totaled approximately \$3.6 billion—a 7% increase from 2023. In 2024, 12,360 participants contributed to the UW 403(b) SRP, an increase of 267 participants (2%) compared to the previous year. There were 23,797 total accounts with balances, excluding those held with frozen providers. Many of these accounts belong to terminated employees.

Overall contributions increased by 1%, reaching nearly \$109.7 million. Contributions to Fidelity totaled over \$62.1 million, a 3% increase from last year, while contributions to TIAA decreased by 2% to \$47.5 million. Roth contributions accounted for 23.5% of total contributions and have continued to grow year over year since the Roth option was introduced in 2011. Fidelity receives more Roth contributions than TIAA.

TIAA has the highest average account balance among providers at \$162,229, while Ameriprise has the highest median balance at \$80,000. Female employees have lower average balances with both Fidelity and TIAA, although women consistently show higher participation rates than men. The average number of investment funds held is 3.4 with TIAA and 1.5 with Fidelity. Overall, 40.3% of assets are invested in target date funds, and 16.1% are in fixed annuity funds. Large Cap Equity funds saw an increase in assets, now representing 10.9% of total assets.

Annual outflows were \$129,122,284 from TIAA and \$114,819,943 from Fidelity—both higher than in 2023. Rose noted that 14% of participants contributed less than \$1,000 annually. While modest, these contributions can accumulate significantly over time and provide meaningful retirement savings. The average yearly contribution is \$8,863. Participants who contribute to the program tend to be older and earn higher salaries than the average employee at the Universities of Wisconsin.

11. Resolution of Commendation+*

Rose read the Resolution of Commendation for Jennifer Lattis, who is retiring from the Universities of Wisconsin. CIO Charles Saunders presented Jennifer with a plaque and a Certificate of Appreciation—signed by President Rothman—in recognition of her dedicated service to the UW 403(b) SRP and to all employees of the Universities of Wisconsin.

12. Next Meeting: Potential Dates

The SRPAC agreed to hold its fall meeting Friday, October 24, with a tentative time of 10:00 a.m. to 2:00 p.m.

13. Adjourn*

MOTION: Deborah Beyer made a motion to adjourn the meeting. Shawna Kuether seconded. Motion passed unanimously. The meeting was adjourned at 1:40pm.