Kevin Bahr called the meeting to order at 10:00 a.m.

1. Introductions
   The TSA Review Committee meeting was held via WisLine webinar. TSARC members and TSA company representatives introduced themselves with the roll call.

2. Approval of Minutes
   MOTION: Mike Stifter moved the approval of the minutes of the November 7, 2014, TSARC meeting. Rob Wolf seconded. Motion passed unanimously.

3. Election of Chair and Vice Chair
   Rose noted the election of Chair and Vice Chair is normally in the fall of even-numbered years. She thanked Chair Kevin Bahr and Vice Chair Howard Erlanger for continuing with their offices.
   MOTION: Bob Kunkel moved to elect Kevin Bahr as Chair and Howard Erlanger as Vice Chair and to close nominations. Mike Stifter seconded. Motion passed unanimously.

4. Returning Revenue to Participants
   Rose reported on the process of returning revenue credits to participants as voted on at the fall 2014 TSA Review Committee meeting. T. Rowe Price distributed $50,000 to participants, TIAA-CREF approximately $243,000, and Fidelity $200,000. She received a couple of calls from participants who had questions.
   For 2015, Fidelity provides revenue of $600,000 to the program and T. Rowe Price $100,000. TIAA-CREF was able to decrease the portion of the expense ratio dedicated to recordkeeping and thereby increase the revenue to the UW; the amount will depend on market performance and the fund balances.

5. Plan Document Changes
   Rose proposed two small changes in Article III – TSA Contributions of the UW TSA Plan Document.

   1) Because of payroll constraints, TSA contributions are not generally allowed in the summer months for 9-month employees. There are a few instances in which contributions might be allowed, however – for example, for academic staff who only work for the UW during the summer and have no other opportunity to participate in our 403(b) plan – and our Plan Document should provide for those instances.
2) SEP (Simplified Employee Pension) IRAs and SIMPLE (Savings Incentive Match Plan for Employees) IRAs are retirement plans for self-employed individuals or small businesses. Balances from these accounts may be rolled into 403(b) plans if the plan allows the roll-in. Although the current Plan Document language does not prohibit these roll-ins, it may be better to specifically allow them. Roll-ins permit our participants to consolidate their accounts and benefit from our low-cost share classes. It is proposed that we allow SEP IRAs and SIMPLE IRAs, after they have been established for at least two years.

Rose noted that if the TSARC decides to recommend these changes, the recommendation will go to UW System President Ray Cross for approval. Proposed changes are underlined.

3.1 TSA Contributions. CONTRIBUTIONS to this PLAN are supplemental to any required CONTRIBUTIONS that may be made to the Wisconsin Retirement System. To participate, an ELIGIBLE EMPLOYEE must enter into a written Salary Reduction Agreement (SRA) with the UW SYSTEM. Under the agreement, the employee's salary is reduced and the amount of the reduction is applied as CONTRIBUTIONS to the FUNDING VEHICLES available under this PLAN. TSA CONTRIBUTIONS shall be made at least monthly for unclassified employees and biweekly for classified employees, except for months in which no salary is paid, and shall be forwarded by the UWS to the VENDORS. TSA CONTRIBUTIONS are not made from summer appointment payrolls for nine- and ten-month unclassified PARTICIPANTS, except in special circumstances.

3.12 Contributions during Leaves of Absence/Summer Recess. During a leave of absence with pay, TSA CONTRIBUTIONS will continue to be made in accordance with the Salary Reduction Agreement. No TSA CONTRIBUTIONS will be made during a leave of absence without pay. TSA CONTRIBUTIONS are not taken from summer salary paid to a nine- or ten-month unclassified appointee, except in special circumstances.

3.11 Rollovers to the Plan from Other Plans.

(1) Direct Rollovers. The PLAN will accept a DIRECT ROLLOVER of an eligible rollover distribution for a PARTICIPANT from:
   (a) a qualified plan described in section 401(a) or 403(a) of the CODE, excluding after-tax employee contributions.
   (b) an annuity contract described in section 403(b) of the CODE, excluding after-tax employee contributions.
   (c) an eligible plan under section 457(b) of the CODE which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state.

(2) Participant Rollover Contributions from Other Plans. The PLAN will accept a PARTICIPANT contribution of an eligible rollover distribution from:
   (a) a qualified plan described in section 401(a) or 403(a) of the CODE.
   (b) an annuity contract described in section 403(b) of the CODE.
   (c) an eligible plan under section 457(b) of the CODE which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state.

(3) Participant Rollover Contributions from IRAs. The PLAN will accept a PARTICIPANT ROLLOVER contribution of the portion of a distribution from a SEP (Simplified Employee Pension) IRA or a SIMPLE (Savings Incentive Match Plan for Employees) IRA that has been established for at least two years, or an individual retirement account or annuity described in section 408(a) or 408(b) of the CODE that is eligible to be rolled over and would otherwise be includible in gross income.
(4) Except as otherwise provided by the CODE, the PLAN will treat ROLLOVER CONTRIBUTIONS accepted under Sections 3.11(1), (2), or (3) as 403(b) moneys governed by the provisions of section 403(b) and related sections of the CODE.

(5) A PARTICIPANT may receive a distribution of any ROLLOVER CONTRIBUTION and of associated earnings. ROLLOVER CONTRIBUTIONS and associated earnings may be distributed while the PARTICIPANT is employed by the University of Wisconsin.

MOTION: Howard Erlanger moved to accept the recommended UW TSA Plan Document changes. Rashiqa Kamal seconded. Motion passed unanimously.

6. 2014 Annual Report and Plan Information

Rose presented the UW TSA Program 2014 Annual Report. Contributions increased by approximately $706,000 from 2013. TIAA-CREF received the largest amount of contributions with more than $29.6 million, followed by Fidelity with over $24.1 million, and then T. Rowe Price, Ameriprise/RiverSource, Lincoln and Dreyfus. There was an increase in Roth contributions over 2013 by about $1 million with 5.47% of all contributions compared to last year’s 3.97%. Fidelity had the greatest amount of Roth contributions with almost $1.9 million. Assets are almost $2.1 billion, an increase of approximately $52 million from 2013. The mutual fund companies combined have approximately 48.6% of contributions, TIAA-CREF 42.7% and the insurance companies 8.6%.

Looking at participation by employee type, unclassified employee participation was at 31.04% and classified at 18.39%. Executive participation is at 60.00%. Total participation in 2014 is at 17.23% of employees, which includes student employees. Percent of salary deferred is at 10.22% in 2014 across all employee types. TSA participants, on average, have a higher salary by employee type and their average age is slightly older compared to the average salary and age of all employees. Comparing 2014 to 2013, participation is up at Madison, also at La Crosse, Oshkosh and Stevens Point where there were targeted outreach initiatives to employees not enrolled in the program.

Rose noted 61.1% of contributions came from 23.9% of participants. There were 1,504 participants who contributed less than $1,000 in 2014; their deferrals made up 1.2% of contributions. The 2014 average deferral is $7,404 and the median deferral $4,200. There was a slight decrease in the percentage of contributions to large-cap funds in 2014 – 25.89% compared to 26.02% in 2013. Large-cap assets are 33.94% for 2014, and that is the largest body of assets. Assets in the allocation funds (including target date funds) increased to 30.24% in 2014 – up from 27.54% in 2013, 23.99% in 2012, 22.84% in 2011 and 20.06% in 2010. Looking at the most-used funds, TIAA-CREF Traditional takes first place every year; CREF Stock comes in second with contributions up by almost $1 million; CREF Social Choice has come in third again, but contributions are down slightly. Fidelity Contrafund is in the fourth position with Fidelity Freedom (target date) Funds in the fifth, sixth and seventh spots. There are now 18 target date funds in the top 50 compared to four in 2010. There are three money market funds in the top 50.

Rose reviewed the education highlights for 2014. In 2014 investment companies reached approximately 4,000 employees. TIAA-CREF counseled 632 employees and Fidelity counseled 482; Lincoln and Ameriprise make it a point to meet with their clients during the year. Rose thanked all the companies for their counseling, outreach and representation at the benefits fairs, along with the TSA Coordinators for their work. Thanks also went to Kevin Bahr, Bob Kunkel, Mike Stifter and Rob Wolf for presenting workshops at their institutions.

7. Report on TSA Plan Administration

a. Loan Approvals using TIAA-CREF’s Compliance Coordinator

Rose stated that as part of our fiduciary responsibility, we need to make sure there is not an overuse of loans. After looking at the numbers, it appears that loan use is constant but not excessive. As of April 1, 2015, there were 55 outstanding loans with issue dates since January 1, 2015, and 733 outstanding loans documented in Compliance Coordinator – an information-aggregation internet tool that allows each company to approve loans. There were 208 loans issued in 2014 compared to 237 in 2013 and 254 in 2012.
b. Notifying employees of eligibility to participate in plan
We use multiple resources to reach our employees. In November 2014 the article, “2015 Tax-Sheltered Annuity and Wisconsin Deferred Compensation Limits Announced” was posted on the employee portal. There were earnings statement messages for multiple payrolls. Messages appeared on statements on November 13, 2014, and March 19, 2015 for the biweekly payrolls. For monthly payrolls, there were earnings statement messages on December 1, 2014, and April 1, 2015.

c. Education
Rose reported that in 2015 so far 75 employees attended TSA workshops presented by UW System staff and co-presented at UW-La Crosse by committee member Rob Wolf and TSA coordinator Cedric Steine. All TSA companies presented workshops during TSA Days in Madison the week of April 20 with 248 employees taking part. TSA Coordinators at La Crosse, Milwaukee, River Falls, Superior and Whitewater made the April 22 TIAA-CREF workshop “Retirement Dollars: Saving Enough and Making Them Last” available to employees via videoconference from Madison. T. Rowe Price also has three recorded webinars available for UW System employees.

d. Voluntary Separation Incentive Plan 403(b) Deferrals
Rose stated she is working with Service Center employees and others regarding Voluntary Separation Incentive Plan 403(b) deferrals. Eight institutions are offering Voluntary Separation Incentive Plans to employees. If an employee wishes to defer any part of the payment into the 403(b) plan, the deferral must be made before the termination date. These payments do not meet the requirements of 415(c) compensation that can be paid after separation from service and still be tax deferred.

d. Professional Development
Rose announced she and Terry received approval to attend the PlanSponsor National Conference. It is in Chicago each year in June. Subjects presented are fiduciary responsibility, marketing and compliance.

8. TSA Investment Company Updates
a. Ameriprise/RiverSource
Richard Tesch presented highlights from Ameriprise’s “Retirement Triggers Research Report,” which drew on feedback from 1,000 respondents who have been formally retired for five years or less. According to the report, 75% felt they would be able to cover basic needs in retirement; 51% would be able to downscale certain aspects of their lifestyle, if needed; 50% would be able to cover unexpected expenses; and 46% would be able to afford the lifestyle they wanted in retirement. Reporting on their mindset one year before retiring, 47% were ready to retire and 25% couldn’t wait to retire. More than half of the respondents consulted employer plan resources before making the decision to retire, and 80% discussed the decision to retire with their spouse or partner. Brent Kimbel then reported on his presentation “Confident Retirement” in Madison on April 23 and the interactions he had with the employees at the presentation and when he met with participants.

b. Lincoln
Julie Kruser shared the Lincoln online educational library at www.lincolnfinancial.com, which is openly available online. It was designed with the premise that where an employee ultimately decides to save is not as important as just making the decision to start saving or continue saving. The online library is divided into four stages of retirement: “Get Started,” “Save More,” “Invest Wisely” and “Retire Well.” Lincoln based the content on feedback from people in focus groups, who were in those various stages. The library has a mix of articles, short videos, printable worksheets, and online calculators.

c. TIAA-CREF
Leteka Bojanowski reported on TIAA-CREF’s process of transforming CREF’s single-class structure for annuities to a three-class structure, which was effective April 24. Because of the size of UW assets, the UW plan has access to funds in the R3-class, which is the most cost-effective class; this is a considerable advantage for our employees. Leteka also announced that TIAA-CREF asset management again won the Lipper Best Overall Large Fund Company Award. They are the first company to win the award three years in a row.
In addition, in 2015 TIAA-CREF is an Ethisphere Institute Honoree, receiving the World’s Most Ethical Companies designation. The Ethisphere Institute scored companies across five key categories: ethics and compliance program; corporate citizenship and responsibility; culture of ethics; governance; and leadership, innovation and reputation.

d. Fidelity
Pat Vaughan described Fidelity’s Social Security analyzer resource available to representatives who counsel in Fidelity offices and on campuses. When Fidelity has worked with faculty and staff looking at retirement, questions have arisen such as, “When should I apply for Social Security?” and “Should I apply for the spousal benefit?” Fidelity felt there was an urgent need for a resource to address these questions and partnered with a third-party vendor to develop the Social Security analyzer; as of now, it is not web-based. Fidelity encourages anyone who is looking to make Social Security decisions to reach out to them.

e. T. Rowe Price
Shawn Alvino reported that T. Rowe Price has been investing in improving both the participant and the plan sponsor online experience. The Plan View Portal is a completely new plan sponsor website developed in response to plan sponsor feedback. T. Rowe Price focused on improving the user experience, building plan management tools and streamlining the content. On the website is a new fiduciary tool called the Retirement Benefit Philosophy and Strategic Plan. It helps a plan establish a retirement benefit philosophy with its specific goals, culture, demographics and financial constraints. T. Rowe Price then can recommend strategies to help achieve outcomes and meet goals.

9. Fiduciary Responsibility Training
Jennifer Lattis requested feedback regarding fiduciary responsibility training at the next meeting. She noted that it is a best practice to provide training annually, but the concepts do not change and there has been stability in the TSARC members. Committee members agreed that a ten to twenty minute refresher would be good. Rose and Jennifer would make sure new members receive the full training, meeting with Jennifer individually.

10. Next Meeting
The fall TSA Review Committee meeting will be October 23, 2015, at 780 Regent Street.

11. Motion to Adjourn
MOTION: Rob Wolf moved that the meeting adjourn. Bob Kunkel seconded. Motion passed unanimously. The meeting adjourned at 11:45 a.m.

Submitted by

/s/ Rose Stephenson