



Meeting Minutes of the  
**Retirement Investment Committee**

July 16, 2018 – 3:00 p.m.

*Lewis Towers- Room #1704, WTC*

**Committee Attendees:**

Thomas M. Kelly, Senior Vice President for Administration	Deborah Meister, Director Compensation & Benefits
Winifred L. Williams, VP Human Resources, CHRO and Chief Diversity and Inclusion Officer	Wayne Magdziarz, Chief Financial Officer and Chief Business Officer
Timothy Classen, Associate Professor in the Quinlan School of Business	Theresa Krafcisin, AVP and Controller
	Karen Bertucci – Absent

**Call to Order**

Winifred Williams called the meeting to order at 3:05 p.m.

**1.) Review and Approval of Minutes from March 21, 2018**

Winifred Williams opened the meeting by requesting a review of the minutes dated March 21, 2018. Committee members reviewed the minutes and no changes were presented. Thomas Kelly made a motion to approve the minutes dated March 21, 2018. The motion was seconded by Timothy Classen. All approved and the motion was carried.

## **2.) Chad Fix, Senior Consulting Actuary, Willis Towers Watson & Marina Edwards, Senior Benefits Advisor, Retirement and Compliance Consultant at Willis Towers Watson (WTW) presented 403(b) Plans in the New Litigation Environment**

Marina Edwards and Chad Fix gave a detailed presentation of the various DC Investment Advisory services that are currently offered by WTW. Marina Edwards reviewed the top 403(b) compliance issues that the IRS has recently been focused on during plan audits. She noted that the key issues generally involve compliance reporting, administration and payroll issues. Marina reviewed some recent University lawsuits that involved alleged ERISA breaches over unreasonable fee structures, unreasonable investment options & performance losses, etc. Marina completed the presentation by outlining several actions for the plan to review in light of the recent influx in University lawsuits. Marina advised that she would be happy to further discuss how her advisory services could be beneficial to the Retirement Investment Committee at any time.

## **3.) Robert Fox, Client Executive at Transamerica presented the Plan Operations Report**

Robert Fox began his plan operations report by discussing the onsite education that is available to employees. He advised that as of July 1, 2018, Transamerica had completed 24 days of one-on-one meetings with employees. They had also conducted 6 group presentations (Get Ready to Retire) in January and June. He noted that the current contract allows for 42 adviser days per year and 30 had already been used to date. He informed the committee that it would cost approximately \$90K per year to have an on-site financial adviser which would allow more availability for employees. There was some discussion by committee members and Rob advised that he would perform some cost modeling and follow-up with the pricing for a full-time adviser.

Robert Fox moved on to report on plan assets noting that total participant account assets were \$260,650,783 as of the 4<sup>th</sup> quarter of 2017. This includes 3,680 participants with an average account balance of \$70,829. The total number of employees eligible to participate totaled 8,106, which included 3,167 participants actively contributing and 4,939 that were not contributing. He noted that a large portion of those who are not contributing are either students or part-time employees. There were 123 new enrollments in the 4<sup>th</sup> quarter and 1,025 participants were eligible for auto enrollment. The participation rates broken down by age group and division were reviewed. It was reported that the average quarterly employee contribution was \$1,180 in the 4<sup>th</sup> quarter which was an average deferral rate of 8.26%. The outstanding loan balance total as of the 4<sup>th</sup> quarter was \$2,767,523. Robert Fox explained that some

plans prepare communications that explain the pros and cons of taking a loan, which may be something that the plan may want to consider in the future. The final discussion item was the participant scorecard percentage rates as of June 30, 2018. Thomas Kelly commented that the scorecard data would be helpful if it was split between those participants who are actively contributing vs. all that are eligible.

Robert Fox completed his presentation by reviewing a final handout that outlined the numerous cyber security measures that Transamerica uses to safeguard plan and participant information. He stated that Transamerica's annual budget for security is over \$1 million. He highlighted Voicepass, Pindrop and GIACT which are a few of Transamerica's enhanced security measures used to assist with fraud detection.

#### **4.) Other Business**

Deborah Meister reviewed a handout of the TIAA-Cref funds and explained that the handout includes a breakdown of the \$74.4 M in mappable funds and an additional \$35.4M in mappable funds that are still open. Robert Fox asked if the committee has made a decision to map the \$74.4M in legacy funds and Deborah Meister replied no. She explained that the plan is still waiting for a legal opinion from outside counsel before making a decision and the next step is to follow-up with McDermott, Will & Emery.

Winifred Williams announced to the committee that this was Deborah Meister's last Retirement Investment Committee meeting since she is retiring from Loyola University Chicago this week. Winifred thanked Deborah for her years of service and the members wished her well.

#### **5.) Closing**

The next Retirement Investment Committee meeting is tentatively scheduled for October 18<sup>th</sup> with more information to follow. With no further agenda items or other business, Winifred Williams adjourned the meeting at 4:57 pm.