



Meeting Minutes of the
Retirement Investment Committee
Tuesday, May 13, 2014
*Human Resources Conference Room, 8th floor
Lewis Towers, WTC*

Committee Attendees:

Thomas M. Kelly, Senior Vice President for Administration and Chief Human Resources Officer	Debby Meister, Director Compensation, Benefits and HRIS
Beverly Kasper, Asst. Provost & Director of Faculty Administration - Lakeside	Paul Gabriel, Professor of Economics (ABSENT)
Andrea Sabitsana, Associate Vice President of Finance and Controller	Eric Jones, Treasurer and Chief Investment Officer
Dale Moyer (non-Committee Member), Consultant to Committee	Jamie Caldwell, Director Office of Research Services for the Health Sciences Division (ABSENT)

Call to Order

The meeting began at 2:30 p.m.

Agenda

1. March 4, 2014 Meeting Minutes

The Committee reviewed and approved the meeting minutes from the March 4, 2014 Committee meeting. Beverly Kasper made the motion to approve the meeting minutes, seconded by Eric Jones. All approved.

2. Presentation and Discussion

The Committee reviewed the presentation prepared by Dale that details the outcome of the negotiations with TIAA-CREF. As was shared with the Committee at the March meeting, TIAA-CREF had declared in late February that they would decline to participate in the new DCRP arrangement because they were not selected as the central record-keeper. The ensuing negotiations with TIAA-CREF eventually resulted in an understanding that TIAA-CREF will provide four funds (TIAA Traditional, CREF Stock, Social Choice and Real Estate) for the new Tier 3 line-up. They also require that DCRP participants who currently contribute to one or more of the four offered funds must be set-up with a default election that will continue their future contributions to one or more of these funds in the same percentage amount of their overall per pay period contribution. All other contributions will be defaulted to the new Vanguard Target Funds on the Tier 2 line-up. Default strategies will be in place for situations in which participants do not make an investment choice.

The Committee discussed the pros and cons of moving forward with the proposed Tier 3 line-up. Andrea voiced concern that it may confuse participants and may not result in optimal participant investment strategies. Beverly offered that it may be a desirable strategy because many faculty members only have familiarity with TIAA-CREF. Tom stated that moving forward with the proposed line-up fulfills a key aspect of the original vision of the Committee's objectives.

There are two fund choices that the Committee requests follow-up. First, the Committee concluded that including a stable value fund on the Tier 2 line-up is not desirable. The required 90-day equity wash rule will confuse and frustrate participants. The Committee asked for an alternative, namely, selecting a short-term bond fund. Second, the Committee seeks clarity on whether offering social choice investment vehicles on both the Tier 2 and Tier 3 is sensible. Dale will research and propose a solution.

The Committee discussed the provisions of the TIAA-CREF Retirement Choice group annuity contract. Discussion focused on the liquidity restrictions on the TIAA fund in situations where a participant initiates a transfer/withdrawal as well as the 1.5% penalty that would be imposed on the plan sponsor in the event the plan sponsor initiates mapping accumulated assets out of the TIAA Traditional.

The Committee agreed that they are comfortable with proceeding with the proposed DCRP arrangement. Dale and Debby will finalize a project plan and communication strategy for Tom to present to Executive Leadership.

3. Closing

The next Retirement Investment Committee meeting was later scheduled to Thursday, June 12.

The meeting adjourned at 4:50 pm.