



BUSINESS MANAGER MEETING DECEMBER 2014

LSU

Supplemental Retirement at LSU



Opportunity for employees to save additional money for retirement

Retirement Savings



Example: A 20 year old who saves \$200 a month until age 65 and earns

Supplemental Retirement – 403(b)



Approved 403(b) Vendors



MetLife



VOYA
FINANCIAL™



TIAA
GREF
Financial Services



Fidelity
INVESTMENTS



VALIC

Supplemental Retirement – 457(b)

Statewide plan managed by Great West

Offers same pre-tax saving opportunities as 403(b)

No early withdrawal penalties

Roth (after tax) option available in 2015

LSU researching possibility to allow competition within 457(b) plan



Consultants Hired to Address LSU 403(b) Concerns

November 2003

Gallagher Benefits Services completes preliminary update of their findings on current 403(b) Plan offerings

August 2005

Challenges to the plan are identified and 3 initial goals are established

- A significant cost savings to plan participants

- A reduction in the number of and improvement in investment options

- A significant spike in enrollments in the Plan (increased 15% to 25%)

Unmet Goals

Offerings that inspire employees at all levels to enroll early, save more, invest wisely, and make the most of their retirement savings



<u>Vendor</u>	<u>Participants</u>
DCCL	213
MetLife	58



Ways to Reduce Employee Cost

Goal – Increased Account Balances

Increase competition

Lowered fees and expenses

Increased fund diversification

Improved quality of funds



403(b) Changes



Added back to LSU lineup effective September 2014
Roughly 200 LSU system employees with \$31 million in
assets from previous LSU 403(b) plan
Important player in the retirement industry

403(b) Plan Changes



New fund lineup introduced

Higher performing funds

Administrative Fee reduced from 0.85% to 0.20%

Average fund expenses remain at 0.89%
(1.09% total fees and expenses)

403(b) Plan Changes



New fund lineup effective 1/1/2015

Improved investment options

Fees and expenses reduced from 1.10% to 0.72%

New Qualifying Longevity Annuity Contracts (QLAC) options

Allows employees to purchase guaranteed lifetime income stream

