

## **FAP Minutes, Meeting #16**

AY 23-24

Meeting Date: 1/16/2024

Members Present: Hal Walker (CEAE, Chair), Rob Dempski (CBC), Mike Horan (CFO), Joseph Sarkis, (BUS), Stephan Sturm (MA), Kris Sullivan (Associate VP for Academic Affairs)

1. The meeting was called to order at 10:05 pm.
2. The agenda was approved as submitted.
3. The Minutes for Meeting #13 was approved.
4. Retirement Plan RFP and Record Keeping

The request for proposals (RFP) for the retirement plan record keeping organization was discussed. The definition of an organization record keeper is that will manage the retirement plans for WPI employees. Two record keeping organizations—Fidelity and TIAA—are still under consideration and evaluation. The goal is to select one to take economy of scale advantages.

The communication to the community was discussed and care on how the terms are used is needed as well as the purpose of the meetings. Some various meetings were held within committees. A chair's meeting and the Fringe Benefits Committee (FBC) were two committees that had initial meetings to discuss the recordkeeper RFP. There will be two additional meetings for the general WPI community to gain input. These meetings will occur over the next couple of weeks.

One question that arose from initial meetings is "who benefits from the savings". More detail is needed, does everyone save, WPI, or faculty? The general answer (from the CFO) is everyone saves. The fees that are passed through the 403b plan would save between \$75 to \$80 per person due to economies of scale. A caveat is that it holds for everyone except for people who do not change over to the new plans. These older plan individuals may actually pay more due to diseconomies of scale (fixed costs and variable administrative costs spread over fewer people).

Competing plan overview information was presented. How much cost is spread out over the membership still depends on a number of choice factors.

A short history of the single record keeper decision and process was presented. It went from 6 providers to now, 2 providers, Fidelity and TIAA. The advantages and disadvantages of the plans were then completed by Retirement Plan Committee (RPC). Initial results showed marginal differences between the two plans. Discussion with other schools was completed by RBC to benchmark how they went through consolidation. Currently, this process is at the general faculty and staff community feedback stage. A decision will then be made to go to the final step of selection after getting input.

The TIAA and Fidelity platforms with investment choices (investment menu designs) were summarized in diagrams shown to the committee.

Some FBC feedback was presented and discussed. Specifically, can institutional savings be used to do employee match? The general response was that it was not really feasible. The subscribers will get the savings. On the institutional side there are no real savings except for having to only deal with one rather than two. A question did arise on whether Fiducient, the WPI consultant to the RPC, would achieve savings and if these savings could be shared. The CFO will check on this issue.

Another question that arose was: Are the investment options going to be reevaluated for either? The response was that all plans do go over performance benchmarks of funds on a regular basis. This is a proactive management approach and part of 'best practice'. The best funds and best fund managers to invest in needs to be determined. This is part of fiduciary duties of the RPC, CFO, and Fiducient. If a fund is underperforming then it is put on a watch list and may be replaced.

Another question is whether fees will increase. This possibility if an individual doesn't go with the selected single recordkeeper provider.

As mentioned, the RPC looked into benchmarking best practices for consolidation, or at least experiences. Other institutions allowed the old recordkeeper but had a choice to change over legacy funds. Going forward at WPI monies will be going to the new recordkeeper.

Some people in the faculty chairs meeting felt the savings and the fees are pretty minor. They prefer to have the choice rather than the small savings (about \$80 per year). Issues arose about fit, company, security, and trust issues. Communication on the other factors including risk management, flexibility, etc., should be presented clearly to the community. People need to understand the decision and change can be stressful. This gets back to effectively getting feedback from the community and clearly communicating the decision.

Overall, it was made clear that the fiduciary duties of committee are paramount and needs to make sure performance is as best as possible for the WPI community.

A point was made about the after-decision (implementation) process. A point was made that whoever is chosen as the recordkeeper will help in transition and so will Talent and Inclusion. Talent and Inclusion will try to do this as soon as possible after the decision is made.

The meetings WPI community meetings on this issue will be held on January 23, at 2pm, and January 24, 1:30 pm.

5. Bereavement policy by the Fringe Benefits Committee (FBC). The FBC Chair provided a resolution on WPI Bereavement policy. The issue of privacy and HIPAA rules were highlighted. Talent and Inclusion was supportive in the meeting. Implementation will require a legal process to make sure it is legal from a privacy perspective. The costs are not significant but may depend on staff coverage.

The proposal was brought up for vote and passed. The proposal will be sent to Talent and Inclusion and with an endorsement by FAP to be included officially in WPI T&I benefits.

6. Follow up on compensation study from Lauren Turner. There is a chance to look at a preliminary study faculty compensation—if a full-blown study cannot be done. This preliminary study is still under discussion. Limited studies may be possible. We will touch base again later this semester.

7. The meeting adjourned at 10:56 am.

Respectfully submitted Joseph Sarkis, Secretary of this Meeting.

