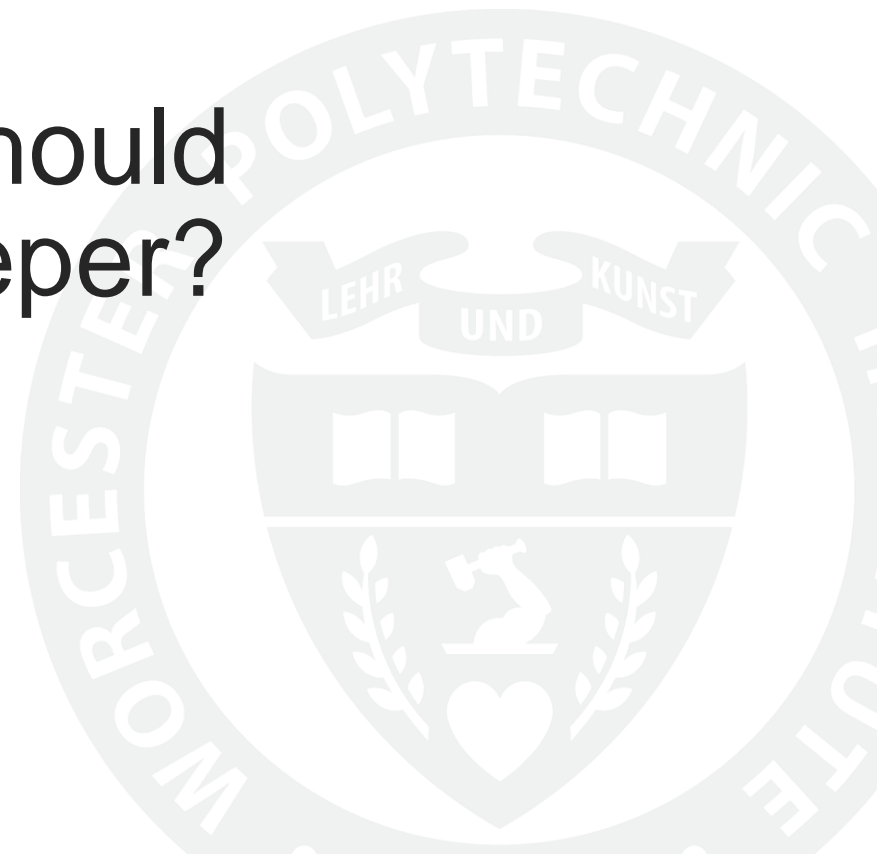




WPI

WPI 403(b) Retirement Plan: Should WPI move to a Single Recordkeeper?

Harold W. Walker, on behalf of FAP



Current Status

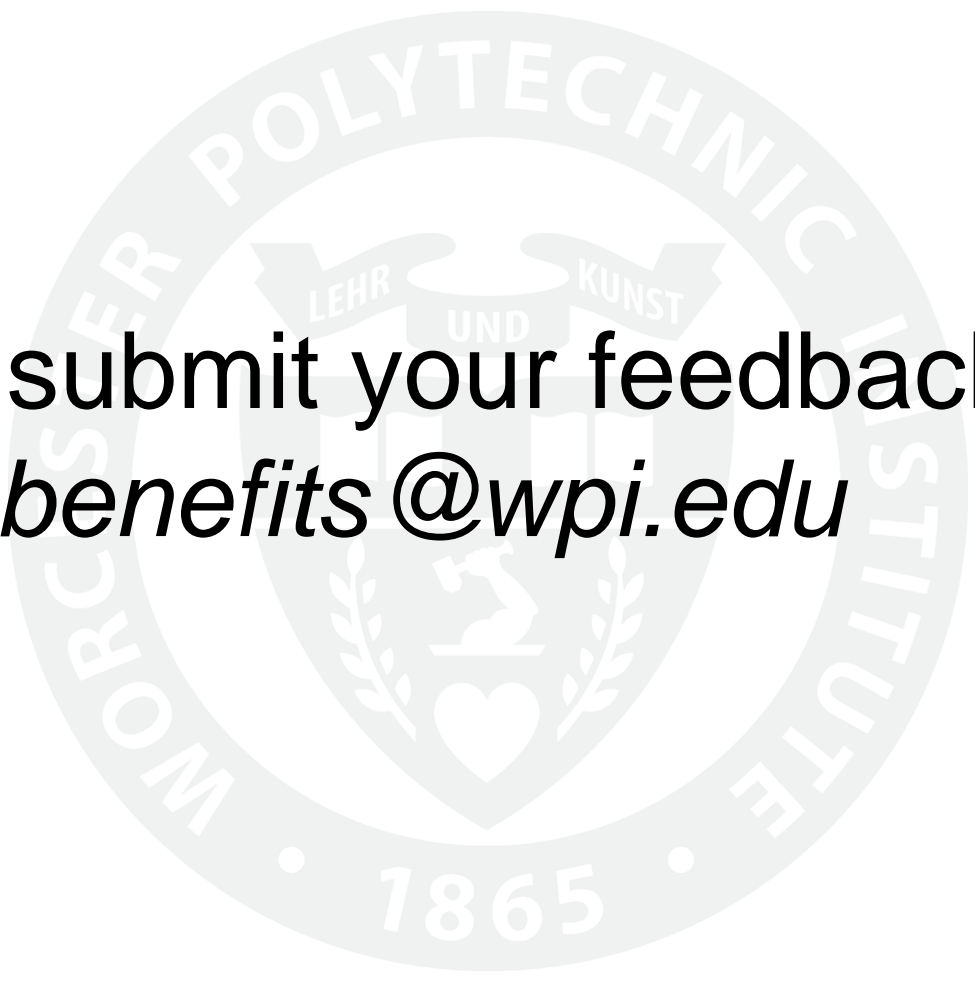
- In the Fall of 2023, the Retirement Plan Committee (RPC) reviewed proposals from 6 retirement plan providers and narrowed the choice to two (TIAA and Fidelity)
- In Winter of 2024, two open forums (one in-person and one via Zoom) were held to go over details of the RFP and solicit feedback/hear concerns. Over 120 people participated in the online session and over 60 attended the in-person session.
- The RPC is currently evaluating all the information received. No decision has yet been made with respect to moving to a single recordkeeper or staying with the status quo.
- The RPC has committed to future engagement with the faculty on this issue before any decision is made
- The RPC would like additional feedback from faculty, which can be submitted via *benefits@wpi.edu*

Why consider moving to a single recordkeeper?

- Moving to a single plan (or recordkeeper) makes it easier for the RPC to “prudently select and .. monitor investment options” thereby reducing legal exposure
- Moving to a single recordkeeper increases the size of the “WPI account” which reduces fees
- Administering an RFP process and considering moving to a single recordkeeper, in and of itself, is good practice and demonstrates effective administration of the plan even if WPI decides to stay with the status quo
- Fiducient Advisors indicates that the trend in higher education is toward single record keepers
- Both TIAA and Fidelity now offer non-proprietary investment options within their plans, so faculty are not limited to only TIAA or only Fidelity investment choices even with a single recordkeeper

Comparison of Two Options

Moving to a single recordkeeper (either TIAA or Fidelity)	Status quo (Maintaining both TIAA and Fidelity)
Both TIAA and Fidelity are strong plans, leaders in the 403(b) space, with similar investment options	Both TIAA and Fidelity are strong plans, leaders in the 403(b) space, with similar investment options
Less risk due to oversight of just a single plan	More risk due to required oversight of two plans compared to one
Lower fees (<i>average</i> savings of \$85)	No change in existing fees
No faculty choice of recordkeeper, though both options now offer non-propriety products	Maintains current faculty choice of record keeper
Stress of transitioning funds to a new plan, developing relationship with new financial advisor, managing any funds not transferred	Avoids added stress of transitioning funds to a new plan, advisor, etc.

The background features a large, light gray watermark of the Worcester Polytechnic Institute (WPI) seal. The seal is circular and contains the text "WORCESTER POLYTECHNIC INSTITUTE" around the top and "1865" at the bottom. In the center of the seal is a shield with a heart, a hammer, and a pickaxe, with a banner above it that reads "LEHR UND KUNST".

Please submit your feedback via
benefits@wpi.edu