

Idaho State Board of Education (ISBOE) Optional Retirement Plan transition to Fidelity as sole retirement plan provider

Frequently Asked Questions

Updated October 21, 2024

This is a summary of questions and answers to help you understand the upcoming transition.

Decision Process

What is changing?

Effective December 2024, Fidelity Investments® will become the sole provider of recordkeeping and administrative services for the Idaho State Board of Education (ISBOE) Optional Retirement Plan (the “ORP”).

This only affects the ORP. Participants can continue making voluntary contributions to other companies available through your campuses’ 403(b) and 457(b) Plans.

Why is the ISBOE making this change?

As part of our ongoing commitment to deliver a benefits package that promotes the financial well-being of our employees, the ISBOE completed a comprehensive review of the ORP. This review was conducted by the ISBOE’s Retirement Plan Committee, which includes representatives from each campus. After a lengthy review process, the Retirement Plan Committee made a recommendation to the ISBOE to transition to a sole recordkeeper and administrative service provider. The goal of the review was to ensure that the ORP continues to meet industry best standards and practices, while saving our employees money and providing more transparent investment and fee information. It is important to note that there will be no change to the ORP benefits, including no change to the contribution that you make, and your employer makes to the ORP on your behalf.

Why was Fidelity selected instead of TIAA or Corebridge?

After careful consideration and extensive due diligence, Fidelity was selected to be the sole provider of recordkeeping and administrative services for the ORP based on their commitment to participant solutions and services, lower and more transparent costs, best in class technology, and simplified administration.

Were other providers considered aside from TIAA, Corebridge and Fidelity?

Yes. With assistance from the ISBOE’s outside independent investment consultant, the Retirement Plan Committee reviewed and compared several providers and ultimately recommended Fidelity.

What experience does Fidelity have with these types of transitions?

Since the Optional Retirement Plan regulations were enacted in 2009, many colleges and universities have transitioned from multiple providers to a sole provider of administrative services for retirement plan recordkeeping. Fidelity has been the chosen provider in many of these cases, as a result, Fidelity has significant experience transitioning plans from multiple providers to a single provider.

Is the ISBOE doing this to save money?

No, the ISBOE is not experiencing any savings from this change. The savings that will be achieved as part of this transition apply only to the ORP Participants. There is no financial benefit to the ISBOE.

What else is changing?

There are several positive changes that are part of the transition, including:

- Streamlined enrollment process,
- Lower more transparent fees, and
- Simplified retirement planning

Who made this decision?

The ISBOE's Retirement Plan Committee, which includes representatives from each campus, made the recommendation to the ISBOE after a lengthy review and due diligence process. The ISBOE accepted the Committee's recommendation. The Committee and the ISBOE have fiduciary responsibilities to prudently oversee the ORP, including its service providers.

Have other schools done this?

Yes. Since the introduction of the Optional Retirement Plan regulations in 2009, many schools have transitioned from a multiple provider format to a sole provider of administrative services for their retirement plan.

How does Fidelity protect my assets?

Fidelity offers a Customer Protection Guarantee to give you peace of mind when doing business with them. Fidelity will reimburse you for losses from unauthorized activity in your Covered Accounts occurring through no fault of your own. To learn more about this protection guarantee, [click here](#).

Scope of Changes

What are the benefit changes?

As detailed below, it is important to note that there will be **no** changes to your ORP retirement benefits. We will continue to provide a robust retirement program that supports your financial wellness planning and retirement readiness.

Moving to a single retirement plan provider enables ISBOE to reduce administrative fees and improve communication and services. Participants will pay a fixed per participant annual recordkeeping fee and lower investment fees. This change will also simplify enrollment for participants.

What else will the ORP at Fidelity offer?

The investment menu will incur minimal changes, which include a fixed-interest investment option, the New York Life Guaranteed Investment Account, and Fidelity BrokerageLink®.

When will the change take effect?

The effective date of the transition is December 2024.

What do I need to do?

If you do not hold a balance in the ORP at TIAA or Corebridge, no action is required on your part.

If you have assets with TIAA or Corebridge, no action is required on your part for eligible mutual fund balances to move to Fidelity. Additionally, effective December 2024, all future contributions to the ORP (both yours and your employer's) will be directed to your OPR account at Fidelity.

You will need to update your beneficiary election at Fidelity and review the updated investment lineup. You can make or change your beneficiary election at Fidelity at any time once the transition is complete.

Additional details regarding the investment lineup are available on the transition website at www.myfidelitysite.com/ISBOE.

Will my current dollar or percent contribution amount move to Fidelity?

Yes, your ORP mandatory employee (%) and employer contribution (%) will automatically carry over to Fidelity. There are no flat dollar contributions to the ORP. Additional voluntary contributions to the ORP are not allowed.

Do I need to re-elect my elective contribution amount at Fidelity?

No, your ORP mandatory employee contribution and employer contribution will automatically be directed to Fidelity beginning December 2, 2024.

Will this change affect the current ISBOE contribution or vesting rules?

No. Employer and employee contributions made to the ORP are 100% vested.

Will Roth contributions be available?

Yes. You may continue to invest in the Voluntary Plans that have the Roth provision, with the providers available at your University/College. Please be aware that Fidelity will also be an available provider for the Tax Deferred 403(b) Plan beginning December 2, 2024.

Will my beneficiary election move to Fidelity?

No. Current beneficiary designations on file at TIAA and Corebridge **will not** transfer to Fidelity. You will need to designate your beneficiaries at Fidelity. Beginning the week of December 22, 2024, you may log on to your account at www.netbenefits.com/atwork, go to Profile and then click Beneficiaries. You can make or change your beneficiary election at Fidelity at any time.

How will existing systematic withdrawal payments be affected?

If you are currently receiving installment payments or required minimum distributions (RMDs) from the ORP, these payments will not transfer to Fidelity. However, Corebridge and TIAA may advance these payments to be made prior to the beginning of the blackout period on November 22, 2024. To review or make changes to your current payment election at Corebridge, please call 800-448-2542 or please call TIAA at 800-842-2252. Online account access restrictions at Corebridge or TIAA may apply.

It is important that you review your payment election at Corebridge or TIAA and decide if you will need to make changes based on the ORP annuity account balances remaining or establish a new payment election in the ORP at Fidelity once the transition is complete.

What distribution options are offered through the Plan at Fidelity?

The distribution options in the ORP will not change. Distributions from the ORP are generally permitted when you leave your employment or retire.

Note that distributions are subject to income taxes and possibly early withdrawal penalties.

What is staying the same?

It is important to note that the ORP benefits are not changing. This includes vesting, contributions, eligibility, your employer's contribution, and distribution options.

Fees

What fees will I be paying and how do I see this?

Once the ORP transitions to Fidelity, fees will be disclosed quarterly on participant statements. Recordkeeping and administration fees will be expressed as a fixed annual dollar amount of \$37 per-participant and paid quarterly by all participants with a balance in the ORP. This will ensure that each participant is paying an equitable portion of the plan fees.

What is the cost saving after the transition to Fidelity?

The new fee represents a 25% reduction in recordkeeping fees.

I thought I only paid investment management expenses for my funds. Have I been paying for plan administration too?

Most of the investments offered through the ORP today have a portion of their fee available to pay for recordkeeping and administration, which is common in the retirement plan industry.

Going forward with Fidelity, participants will see their investment fees separate from their recordkeeping and administrative fees.

Does the ISBOE get any extra compensation, commission, or funding because of this change?

No.

Are there any tax consequences associated with this transition?

No.

Assets and Investments

What is an annuity and why do I have one?

The TIAA and CREF investments offered through the ORP today are funded through annuity contracts, which was a common investment vehicle in optional retirement plans for many years. This should not be confused with the ability for a participant to annuitize a portion of their account at retirement. This can be done from an annuity or mutual fund investment.

Will all my TIAA or Corebridge Plan balances move?

It depends on the nature of your TIAA or Corebridge investments. Only mutual fund ORP balances at TIAA and Corebridge will be transferred to Fidelity. These assets invested in “liquid” investments with TIAA or Corebridge (i.e., assets invested in mutual funds) will transfer to Fidelity. Annuity balances will stay with TIAA and Corebridge. The annuity assets, which are not invested in liquid investments, will not transfer to Fidelity. Balances in Corebridge Financial Individual Contracts will not automatically transfer to Fidelity. The assets held in the following annuities at TIAA will not transfer to Fidelity:

- CREF Core Bond R3
- CREF Equity Index R3
- CREF Inflation-Linked Bond R3
- CREF Global Equities R3
- CREF Growth R3
- CREF Money Market R3[^]
- CREF Social Choice R3
- CREF Stock R3
- TIAA Real Estate
- TIAA Traditional

[^]CREF Money Market R3 is not an SEC-registered money market mutual fund and is not subject to the SEC’s requirements regarding the maturity, quality, and diversification of a money market fund’s underlying investments. There is no guarantee that this product will maintain a stable value, and the value of a share may vary.

What is the process to transfer my existing fixed or variable annuity to the ORP at Fidelity?

All ORP annuity account balances held at Corebridge and TIAA will not transfer to Fidelity automatically. This means your annuity account balances will remain and you will continue to manage your annuity assets separately.

Participants can individually elect to move annuity account balances to Fidelity by initiating a Contract Exchange directly with your specific provider, Corebridge or TIAA. Participants can choose to move all, or a portion of their annuity account balances once the blackout period has ended at Fidelity.

If my assets are scheduled to move to Fidelity, can I choose to leave my ORP account with TIAA or Corebridge?

No. This is a plan-wide move to Fidelity for mutual fund balances and future contributions to the ORP. Beginning December 2, 2024, all new contributions into the ORP will be directed to Fidelity. Only annuity assets will remain at TIAA or Corebridge.

What happens if my favorite investment fund is not available on the new menu?

The new investment menu will offer a broad range of choices to allow participants to form well-diversified portfolios. However, for those participants who want an investment fund that is not on the

new investment menu, Fidelity's BrokerageLink® will provide access to thousands of additional mutual fund options from hundreds of mutual fund companies.

You should compare investments and share classes that are available in your Plan's lineup with those available through BrokerageLink® to determine the available investment and share class that are appropriate for your situation. The Plan fiduciary neither evaluates nor monitors the investments available through BrokerageLink. It is your responsibility to ensure that the investments you select are suitable for your situation, including your goals, time horizon and risk tolerance.

I'm retiring soon, how does this affect me?

What happens to your current account depends on which investments your ORP account is invested. All mutual fund balances at TIAA and Corebridge will transfer to Fidelity. All annuity balances will not transfer at all. So, if you are retiring soon, you will need to consider where your assets are invested and at retirement whether to set withdrawals through TIAA or Corebridge for annuity balances or with Fidelity for mutual fund balances after the transition is complete.

Do these changes affect former employees and anyone with assets in the ORP at TIAA or Corebridge?

Yes. This will affect all participants (current and former employees, beneficiaries, alternate payees, etc.) that have a balance in the ORP at TIAA or Corebridge. The transition applies to anyone with mutual fund assets.

Tools and Resources

Can I still talk with my TIAA or Corebridge representative after the transition?

Yes. If you have assets that will remain with TIAA or Corebridge following the change, you can utilize the participant website, call center, and other planning resources as you do today.

When will we learn more about the move to Fidelity?

The Idaho State Board of Education Optional Retirement Plan Transition Guide has been mailed to participant home addresses. You can view transition details and an electronic copy of the transition guide on the transition website at www.myfidelitysite.com/ISBOE.

In addition, Fidelity representatives present the *Get Ready for the Move to Fidelity* presentation on campus and virtually. Attend a session so get answers to your questions. Allow up to one hour for this presentation. A schedule of events hosted at your campus and registration links for virtual sessions is provided on the transition website.

Once the transition is complete, Fidelity representatives will be available by phone, in-person and virtually.

What information is available on the transition website?

The transition website will continue to be updated with key dates, the investment lineup changes, transition highlights, as well as the opportunity to sign up for virtual transition presentations.

Questions?

Fidelity

Attend a transition presentation to get answers to your questions. One-on-one appointments will be available in January. Visit the transition website at www.myfidelitysite.com/ISBOE for a schedule of events at your campus and virtually.

TIAA

TIAA phone: 866-843-5640

TIAA website: www.tiaa.org/ISBOE

Corebridge Financial

Corebridge Financial phone: 1-800-448-2542

Corebridge Financial website: www.corebridgefinancial.com/rs/idahoedu

Investing involves risk, including risk of loss.

The frequently asked questions provide only a summary of the main features of the Idaho State Board of Education Optional Retirement Plan, and the plan documents will govern in the event of any discrepancies.

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The frequently asked questions will be updated periodically throughout the transition.

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