



Retirement Plan Committee Minutes

April 13, 2020

1-3 p.m.

via Webex due to coronavirus

Present: Jim Almond, Bill Bell, Fred Ford, Janine Gulbranson, David Janes, Ryan Kay, Dean Lingley, Scott Seidle, Candace Shaffer, Blair Webb

Unable to attend: Wendy Lafontant, Steve Turner

This was the regularly scheduled meeting of the Retirement Plan Committee for the Defined Contribution Plans of Purdue University.

Mr. Almond welcomed committee members to the meeting and took a rollcall. Mr. Almond then briefly reviewed the agenda.

The Committee reviewed and approved the November 19, 2019, minutes.

Ms. Gulbranson provided the HR update on outreach and communication efforts, which included targeted workshops presented by Fidelity and programs for America Saves Week and Road to Retirement. Events and information are communicated through Purdue Today, the Healthy Boiler Newsletter and on the Purdue Benefits website. She also updated the committee on the lease renewal for the local Fidelity office, indicating Fidelity continues to evaluate resources and staff alignments to determine their next steps.

Ms. Gulbranson provided a summary of the SECURE Act (Setting Every Community Up for Retirement Enhancement). A couple mandatory requirement are: (1) change the minimum distribution age from 70½ to 72 and (2) beneficiaries must receive their distributions within 10 years. Fidelity will administer these changes through their system platform. An optional change is permitting in-service distributions at age 59½, (lowered from age 62) for pension plans and age 70½ for governmental 457(b) plans. HR continues to evaluate these and additional changes to determine how they might affect the University's retirement programs. The deadline for plan amendments (as needed) is December 31, 2024.

The Coronavirus Aid, Relief, and Economic Security (CARES) Act was also presented by Ms. Gulbranson and is being evaluated by the University's HR department. This act, signed into law in March 2020, provides emergency relief aimed to assist business, individuals and hospitals during the period of public health emergency due to the 2019 Novel Coronavirus (COVID-19). The legislation enables retirement plan changes related to early plan withdrawals, enhanced plan loans provisions and waives required minimum distribution (RMD) for defined contribution 401(a), 403(b), governmental 457(b) plans, and IRA's for calendar year 2020. This also has a deadline of December 31, 2024 for necessary plan amendments.

Mr. Webb reviewed three active managers with the committee: Harbor High Yield Bond (HYFAX), MFS Investors Growth Stock (MIGNX) and CRM Small/Mid Cap Value (CRIAX). There were no changes or concerns noted with the firms' philosophy or approach as part of the Retirement Plan Tier III platform for active management. Harbor Funds confirmed that the Purdue plan is eligible to participate in a new lower cost retirement share class with savings close to 0.1% per annum. The Benefits office with follow-up with Fidelity to review migrating to the new share class.

Mr. Webb reviewed the retirement plan dashboard as of December 31, 2019, noting there was \$2.1 billion invested within the retirement platform's four-tier structure. Approximately 64% of participants invest in Tier 1 target date funds; 14.5% in Tier 2 passive index funds; 16.8% in Tier 3 actively managed funds, including the MetLife Stable Value Option'; and 4.7% in Tier 4 through the brokerage window. The dashboard provided included expense ratios, calendar year-to-date, 1, 3 and 5-year performance for the Tier 1, 2 and 3 investment funds. Mr. Webb will distribute the quarterly update as of March 31, 2020, in the next couple of weeks.

The next meeting is scheduled for November 16, 2020, from 1-3 p.m. Vanguard will be contacted and asked to participate in the November meeting for a company update and review of target date and index funds.

Members with special topics for future meetings should forward the suggested items to Mr. Almond.