

**What is the Retirement Oversight Committee?**

The Retirement Oversight Committee was established at UofL by the President and serves as the fiduciary for the 403(b) and 457(b) retirement savings plans sponsored by UofL. The Committee's duty is to ensure these plans operate in the best interest of all participants. This includes monitoring and implementing industry best practices, so the university's retirement savings plans remain competitive.

**What is Fee Leveling?**

Fee Leveling is a term used to describe a retirement plan's fee structure, specifically how the total cost of plan administration is paid. Fee Leveling ensures that all participants share in the plan costs fairly; meaning, fees will be proportionally allocated on all participant accounts based on account balance. With Fee Leveling, participant accounts are explicitly charged, and the details are clearly communicated on participants' account statements. UofL does not benefit from the collection of these administrative fees. All fees go directly to operating the retirement savings plans.

**Why is UofL now moving to Fee Leveling?**

Fee Leveling has become an industry best practice among higher education institutions resulting in participant fees being fairer, more equitable, simpler and more transparent. It has been enabled by system improvements in the technology used for plan recordkeeping. There is a growing industry trend toward greater transparency, leading to direct fee methods such as Fee Leveling. With direct fees, participant accounts are explicitly charged, and the details are clearly communicated on participants' account statements, where this may not have been the case using the former fee structure. UofL's former retirement plan administrative fee structure, called revenue sharing, is also no longer being used by most higher education institutions.

**How were retirement plan administrative fees previously paid?**

UofL's former retirement plan administrative fee structure was an indirect fee method, called Revenue Sharing. In this approach, fees were covered through revenue generated by investment options, but these indirect fees did not appear on participant statements and weren't directly visible to participants. Revenue Sharing doesn't distribute costs equally among participants and some investment options generated more revenue than others. As a result of this inequitable distribution, some participants paid a disproportionate share of the plan costs.

**What are retirement plan administrative fees used for?**

Retirement plan administrative fees cover plan management and services including, but not limited to, technology and systems maintenance, customer service, account statement development and delivery, investment counseling, plan audit support and fiduciary and legal advisory services- all essential to keep the retirement plan running smoothly.

**What will be the new retirement plan administrative fee taken from my account?**

As of July 1, 2024, a standard quarterly fee will be deducted from your account each quarter and will total 0.06% per year. This equals 60 cents per year for each \$1,000 in the account. This competitive fee is the result of recent negotiations with TIAA and Fidelity to lower overall participant fees.

**What other changes will occur with the university's retirement savings plans?**

At this time, there are no additional planned changes to the retirement savings plan. Employer contributions, eligibility rules and all other aspects remain the same. Please know the ROC will continue to monitor and implement industry best practices, so the university's retirement savings plans remain competitive.

**What action do I need to take?**

You do not need to take any action. The Fee Leveling structure will be implemented automatically to your account as of July 1, 2024.