

Why is the State Board making changes to its retirement plans?

The State Board of Education is committed to providing you with a competitive retirement benefits package. Based on this commitment, the Board developed a retirement plan committee (RPC) that has been evaluating ways to improve the retirement benefits for its member institutions. The goal of the RPC is to determine the best way to enhance services, reduce costs for participants, and increase administrative efficiency.

Over the years, the RPC has made changes to the investment structures at both AIG and TIAA and recently renegotiated fee agreements with the providers to lower participant costs. Recently, and after careful deliberation, the committee elected to make changes to the investment offerings at AIG and TIAA. The changes are intended to:

- Simplify the menu and create “levels” to aid participants in selecting investment products
- Broaden the diversity of investment managers offered
- Lower fees by adding additional index options and mirroring investment options at AIG and TIAA to provide access to lower share classes
- Add flexibility by providing a mutual fund window at AIG and TIAA, allowing participants to utilize investment options that may not be available in the core menu

I like my investment options and am not interested in changing at this point. Is that required?

Yes, the changes being made by the RPC will impact participants. However, some individual annuities you own cannot be remapped, and will be retained until they are sold by participants.

How will this change affect my funds if I leave employment?

All of the same distribution rights to participants remain available. Participants may either keep their money in the plan, take distributions, or roll over to an IRA or other qualified plan upon separation of service.

Can I purchase ETF's (Exchange-traded funds)?

Some ETF's may be available in the mutual fund window at AIG and TIAA.

When can I make changes to my fund allocations?

At any time prior to the change you can continue to make changes to the investments in your account(s) at AIG and TIAA. On or around the implementation of the new investment options, you may make changes among the new investments available to you in your retirement account.

Will my money automatically be transferred to the new investment options?

Mutual fund positions at AIG and TIAA will transfer automatically to the new investment options. Individual annuity positions at AIG and TIAA, however, will not be transferred. If you

wish to have your individual annuity options transferred into the new investment options, please contact your service provider.

I have money in investments not automatically transferring to the new investment options. How can I transfer that money?

You will need to work directly with AIG and TIAA to have money moved from individual annuity positions into the new investment menu.

AIG: 1-503-276-1400

TIAA: 1-800-842-2252

Will this change impact my beneficiaries?

No, your previously selected beneficiaries remain in place.

Who can I talk to if I have specific questions?

AIG and TIAA are both very familiar with the changes being made to the retirement benefit platforms and should be able to assist you with additional questions you may have. Please contact them at:

AIG: 1-503-276-1400

TIAA: 1-800-842-2252

Additionally, there will be both live and recorded communication presentations for your reference. Please see <https://boardofed.idaho.gov/data-research/finance-administration/retirement-plans/> for a list of available education sessions.

An investment option I had used previously is no longer available. What should I do?

The RPC has taken steps to select a simplified selection of effective and reasonably priced investment options for you to utilize. Investment options that have been deselected have been done so to either improve simplification, reduce costs, or improve quality of performance. If after conducting a personal review, you determine that the mutual fund that is no longer available still meets your needs, you may elect to purchase it in the mutual fund window. Deselected individual annuities are not available for purchase in the mutual fund window.

When will these changes be taking place?

Key dates	
Week of July 29	Change notices distributed to impacted participants
August	Vendor notices distributed to participants

August – September	Information sessions regarding the changes to the retirement plan investment structure. Please visit our Optional Retirement Plan page for a list of times and locations by campus.
September 25	Investment transfers to investment products no longer being used will cease
September 26	New investment options available and any mapping of investments from old options to new options will be concluded

What will the new investment menu be?

Tier 1: Vanguard Institutional Target Retirement Series					
Tier 2: Core Array					
Stable Principal	Fixed Income	U.S. Equity		International Equity	Specialty
Vanguard Federal Money Market	Vanguard Total Bond Market Index I	Vanguard Institutional Index I		Vanguard Total International Stock Index I	
		Vanguard Extended Index Market Index I			
		Vanguard Small Cap Value Index Adm	Vanguard Small Cap Growth Index Adm		
Tier 3: Extended Array					
Stable Principal	Fixed Income	U.S. Equity		International Equity	Specialty
TIAA Traditional Benefit Responsive & Non Benefit Responsive (TIAA ONLY)	DFA Inflation Protected Sec I	MFS Value R6	T. Rowe Price Blue Chip Growth I	American Funds EuroPacific Growth R6	Vanguard Real Estate Index I
		American Century Mid Cap Value R6	Carillon Eagle Mid Cap Growth R6		TIAA-CREF Social Choice Bond Instl
Valic Fixed Interest Option (VALIC ONLY)	TIAA-CREF Bond Plus Instl	Nuveen Small Cap Value R6	Conestoga Small Cap Instl	DFA Intl Small Company I	TIAA-CREF Social Choice Equity Instl
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Tier 4: Self Directed Brokerage Account or Mutual Fund Window					

The only difference in available investment options will be either TIAA Traditional or Valic Fixed Interest Option based on the provider you select.

Why are the menus virtually the same?

By using the same investment products on both our AIG and TIAA platforms we are able to aggregate our purchasing power and reduce investment costs to participants. Further, participants can focus on cost and service differences between the providers rather than minor differences in menu construction.

What are “investment levels”?

The RPC has categorized investment options to help participants navigate the menu more easily. You can select as many options from as many levels as you wish.

Level 1: Target date retirement funds

Using target date retirement funds, ISBOE provides you with access to diversified portfolios to meet your investment goals within a single fund. If you choose to invest using target date retirement funds, you will be placed into the fund with the year that most closely matches the year you turn age 65. The investment within the funds automatically adjust to become more conservative as you move closer to retirement.

Level 2: Core array

This tier offers passive – or index – funds, which mimic a particular market index such as the S&P 500. If you'd like to build a portfolio with a focus on diversification and indexing at a lower cost, you can use the funds in this level to accomplish that. You should account for changes to your personal circumstances and adjust your portfolio as you approach retirement.

Level 3: Extended array

The investments in this array provide a wide range of mutual funds, socially responsible investment alternatives, and some guaranteed annuities. Investors who want access to specific asset classes and plan to actively manage their own portfolios may fit into this group. Their array focuses on choice and relies on investors to determine the risk and asset allocation that will meet their goals.

Level 4: Brokerage

This level is for the experienced investor who wants access to thousands of additional mutual fund investment options. These options are not monitored by the ISBOERC and therefore participants are responsible to conduct their own diligence and screening.

Are the plan benefits changing?

No. The changes being made are solely to the structure of the investments offered.