

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

Frequently Asked Questions

Updated January 16, 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 will become the sole provider of administrative services for the Idaho State Board of Education Optional Retirement Plan (the “ORP”).

This only effects the ORP. Participants can continue making voluntary contributions to other companies available through your campuses’ 403(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 our 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 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 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 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 a number of 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 processes:
- 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 plan at Fidelity offer?

The investment menu will include minimal changes, which may 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 balances (see below), which will automatically move to Fidelity. Additionally, effective December 2024, all future contributions to the ORP (both yours and your employer's) will automatically move to 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.

Additional communication on these action steps and the updated investment lineup will be provided in the coming months.

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

Yes, your mandatory employee (%) and employer match contributions (%) will automatically carry over to Fidelity. There are no flat dollar contributions amounts to the ORP. No additional voluntary contributions to the ORP Plan are allowed.

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

No, your mandatory ORP Employee Contribution and Employer Contribution percentages will automatically start with the next payroll period upon completion of the transition to Fidelity

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

No.

Will Roth contributions still be available?

Yes. You may still continue to invest in the Voluntary Plans that have the Roth provision, with the providers available at your University/College.

Will my beneficiary election move to Fidelity?

No. Current beneficiary designations on file at TIAA and Corebridge are not being transferred to Fidelity. You will need to designate your beneficiaries at Fidelity. To designate your beneficiary, please log on to your account a www.netbenefits.com/ISBOE, 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?

There will be no changes to payments that you are receiving from the ORP.

What distribution options are offered through the Plan at Fidelity?

The distribution options in the ORP will 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 dollar amount 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.

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 very 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 as a result 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. Some Plan balances at TIAA and Corebridge will be transferred to Fidelity, and some may stay with TIAA and Corebridge. Amounts invested in "liquid" investments with TIAA or Corebridge (for example, amounts invested in mutual funds) will transfer to Fidelity. Amounts that are not invested in liquid investments will not transfer to Fidelity and will stay with TIAA and Corebridge. Balances in Corebridge Financial Individual Contracts will not automatically transfer to Fidelity. In addition, the following fixed and variable annuities at TIAA will not transfer to Fidelity:

TIAA Traditional
CREF Money Market R2^
CREF Core Bond R2
CREF Inflation-Linked Bond R2
CREF Social Choice R2
CREF Stock R2
CREF Equity Index R2
CREF Growth R2
CREF Global Equities R2
TIAA Real Estate

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

Existing balances in TIAA and/or CREF annuities will not transfer automatically to your Fidelity

account. Balances will remain at TIAA unless you affirmatively act to move them to Fidelity. If you are interested in transferring a balance from TIAA to Fidelity or want to learn more about the process and timing, visit www.fidelity.com/schedule to schedule a one-on-one consultation with a Fidelity representative. Participants should consult with their own financial and/or tax advisor before making a decision.

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

No. This is a plan-wide move to Fidelity. Going forward all new contributions into the ORP plan will be directed to Fidelity and as noted above, any assets that can be moved to Fidelity will be moved.

¹ You could lose money by investing in a money market fund. Because the share price of the fund will fluctuate, when you sell your shares, they may be worth more or less than what you originally paid for them. The fund may impose a fee upon the sale of your shares or may temporarily suspend your ability to sell shares if the fund's liquidity falls below required minimums because of market conditions or other factors. An investment in the fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. The fund's sponsor has no legal obligation to provide financial support to the fund, and you should not expect that the sponsor will provide financial support to the fund at any time.

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 discuss any potential use of BrokerageLink[®] with your financial and/or tax advisor before investing.

I'm retiring soon; how does this impact me?

If you are retiring soon, you will need to consider when to initiate withdrawals and whether or not to set these up through Fidelity or TIAA /Corebridge prior to the transition.

For those who no longer work at the ISBOE and still have assets in the plan at TIAA or Corebridge, does this also affect them?

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. They will receive communication detailing the transition and what they can expect.

Tools and Resources

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

Yes. If you have an account with TIAA or Corebridge following the change, you will still have the ability to utilize the participant website, call center, and other planning resources as you do today.

When will we learn more about the move to Fidelity?

More details will be provided throughout the transition period, including a Transition Guide that will be available in September. Look out for emails and postings about upcoming information sessions to help guide you and answer any questions you may have. Stay up to date on the transition by visiting the plan's dedicated transition website at www.myfidelitysite.com/ISBOE.

What information will be available on the transition website?

The transition website will be updated with key dates, the investment lineup, new features, and services that are being added to the plan, as well as the opportunity to sign up for information sessions and one-on-one appointments.

Questions?

Fidelity

Fidelity phone: 1-800-343-0860

Fidelity website: www.netbenefits.com/ISBOE

Schedule a One-on-One Appointment with Fidelity: www.fidelity.com/schedule

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

Schedule a One-on-One Appointment with a Corebridge Local Advisor:

<https://www.corebridgefinancial.com/rs/idahoedu/home/contact-us>

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.

BrokerageLink includes investments beyond those in your plan's lineup. You should compare investments and share classes that are available in your plan's lineup with those available through BrokerageLink, and determine the available investment and share class that is appropriate for your situation. The plan fiduciary neither evaluates nor monitors the investments available through BrokerageLink. It is your responsibility to ensure the investments you select are suitable for your situation including your goals, time horizon, and risk tolerance. See the fact sheet and commission schedule for applicable fees and risks.

Investing in a variable annuity involves risk of loss, investment returns, contract value, and, for variable income annuities, payment amounts are not guaranteed and will fluctuate.

The third parties mentioned herein, and Fidelity Investments are independent entities and are not legally affiliated.

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

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