

Taking Action to Improve Outcomes

Retirement Plan Education – October 16 & 17, 2023



Agenda



Participant Decision #1

- Savings Rate
- Catch up Rules



Participant Decision #2

- Investment Selection



Participant Decision #3

- Beneficiary Designation



Cybersecurity Considerations

- TIAA
- Additional Steps

Who Oversees the Retirement Plan?



- 403(b) Plan Investment Committee

- Meet formally on quarterly basis to review all matters related to the retirement plan benefit
- Comprised of your peers and members of the Bradley University administration team



- PlanPILOT

- Independent retirement plan consultant that participates in all Committee meetings
- Conflict free
- Expert in investment analysis/oversight, with a keen focus on performance, risk and expenses



- Both the Committee and PlanPILOT act in a fiduciary capacity, making decisions in the best interest of employees



Bradley Retirement Plan – Summary Information

- Eligibility and Initial Enrollment
 - Employee Deferrals are limited to an annual maximum of \$22,500 for 2023 (\$30,000 if born on or before December 31, 1972)
 - Employer Contributions: One year of service for eligible classes of employees
 - Employees who have met the eligibility requirements may receive an employer matching contribution as follows:

Employee Deferral Amount	Hired before 10/1/2017 and opted out of retiree medical program, or hired on or after 10/1/2017	Hired before 10/1/2017 and who have opted to enroll in the retiree medical program
Less than 2%	0%	0%
2%	0.80%	0%
3%	2.20%	0%
4%	3.60%	0%
5%	5.00%	5.00%

Employees who have opted out of the retiree medical program receive an additional 2% nonelective contribution from Bradley



Participant Decision #1

Savings Rate



How Much Do I Need to Save?

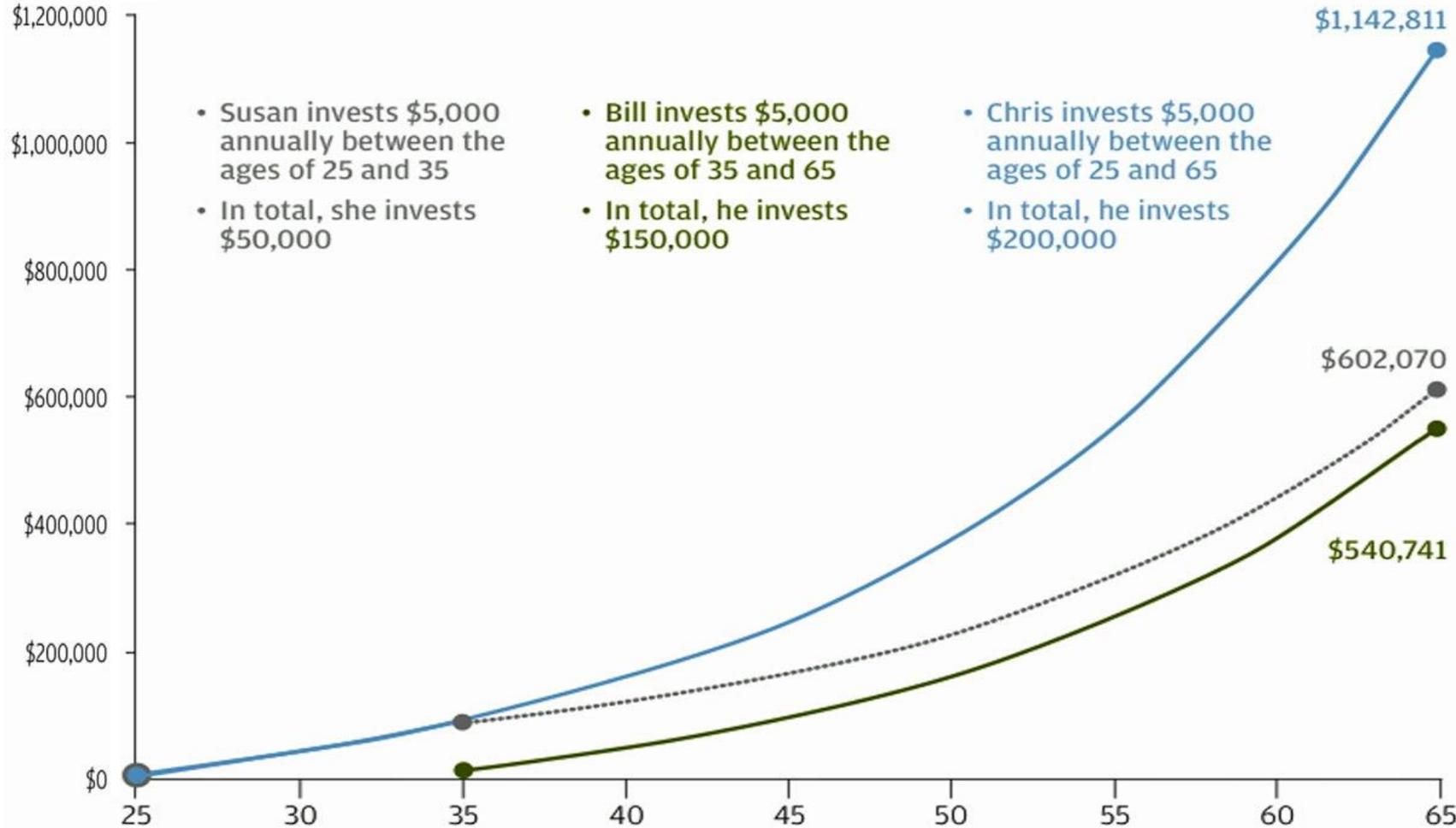
- A 5% employee contribution maximizes the Bradley match
- Strive to save beyond the match to fund your retirement – many studies cite 15% as an appropriate savings target
- Three-legged stool of saving for retirement: (1) Employee elective deferrals, (2) Employer matching contributions and (3) Social Security
- General rule of thumb: Save 8-12 times your final year's salary to replace 80% of your pre-retirement income when combined with a full social security benefit

Go to [bankrate.com/retirement/calculators/retirement-plan-calculator](https://www.bankrate.com/retirement/calculators/retirement-plan-calculator) to run your own calculations.



Savings Example - The Power of Compounding

Growth of savings accounts



The example is for illustrative purposes only and not indicative of any investment. Account values in the example assume a 7% annual compounding return.



Catch Up Rules

- Over 50 Catch-Up Rule

- Starting with the year you achieve age 50, you can contribute additional dollars (\$7,500 in 2023) in excess of the standard contribution maximum (\$22,500 in 2023).



Employees born on or before December 31, 1973 can contribute a total of \$30,000 in 2023

- This catch-up allowance can be utilized every year beginning in the year you turn age 50, but contributions must be made from earned income

Recent Investment Changes

- For a summary of the recently implemented investment changes, refer to Investment Changes Overview Handout
- Importantly, there have been no changes to the plan's target date funds, the TIAA-CREF Lifecycle funds

Do-It-For-Me Investment Options

- TIAA-CREF Lifecycle Funds

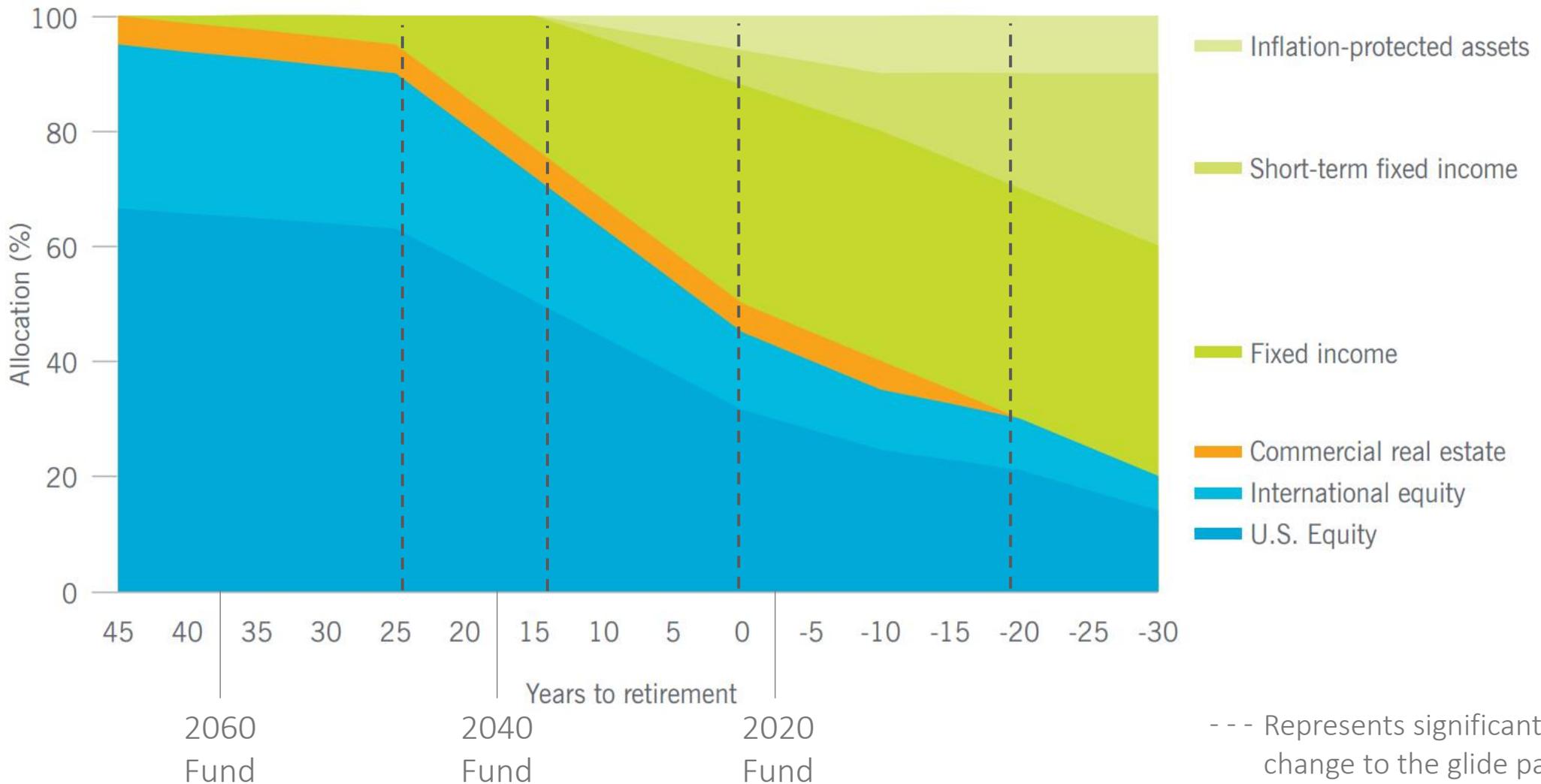
- Different fund options based on your target retirement date
- Rebalances to restore appropriate investment mix
- Market risk is reduced as you approach and enter retirement

Participant Decision
#2

Investment Selection



TIAA-CREF Lifecycle Glide Path



Investment Selection: Do-It-Myself Investment Options

Equity Funds (Higher Risk/Return Potential)	Equity Funds (Higher Risk/Return Potential)	Fixed Income Funds (Moderate Risk/Return Potential)
<ul style="list-style-type: none"> ▪ Vanguard Total Stock Market Index ▪ Putnam Large Cap Value ▪ Parnassus Core Equity (ESG US Large Blend) ▪ Vanguard Institutional Index (US Large Blend Index) ▪ AB Large Cap Growth ▪ Vanguard Mid-Cap Index ▪ Delaware Small Cap Core ▪ Vanguard Small Cap Index 	<ul style="list-style-type: none"> ▪ Vanguard Total International Stock Market Index ▪ American Funds Europacific Growth (Foreign Large Equity) ▪ American Funds New Perspective (Global Equity) ▪ TIAA Real Estate 	<ul style="list-style-type: none"> ▪ Baird Aggregate Bond ▪ TIAA-CREF Core Impact Bond (ESG) ▪ Vanguard Inflation-Protected Securities <p>Guaranteed/ Money Mkt (Low Risk/Return Potential)</p> <ul style="list-style-type: none"> ▪ TIAA Traditional ▪ TIAA Stable Value ▪ TIAA-CREF Money Market



CREF Stock

Geographic Distribution As of 06/30/2023



Region	% of Net Assets
Americas	67.82%
Europe, Middle East & Africa	17.41%
Asia/Pacific	13.54%
Short-Term, Other Assets and Liabilities	1.23%

CREF Social Choice

Geographic Distribution As of 06/30/2023



Region	% of Net Assets
Americas	77.21%
Europe, Middle East & Africa	13.63%
Asia/Pacific	6.46%
SupraNational	1.58%
Short-Term, Other Assets and Liabilities	1.12%



Overview of Fund Options – ESG

- Environmental, Social, and Governance (ESG) funds were added to offer best-in-class managers that have both performed well and taken a proactive approach to ESG investing
 - TIAA-CREF Core Impact Bond (U.S. Fixed Income)
 - Parnassus Core Equity (U.S. Equity)



Investment Selection: Key Investment Considerations

1. Investment Time Horizon



Retirement Savings
versus Emergency Fund



Life Expectancy versus
Retirement Date

2. Types of Risk

- Avoiding market (or volatility) risk increases inflation (or longevity) risk
- Always balance these risks against your time horizon



Weathering Stock Market Volatility

Key Questions

- Have my long-term needs changed?
- Has my time horizon changed?
- Is my investment strategy suited for any market environment?
- Should I be rebalancing my portfolio?



Act on insight, not on instinct; market timing can be a dangerous habit



Invest with discipline



Consider the true cost of holding cash

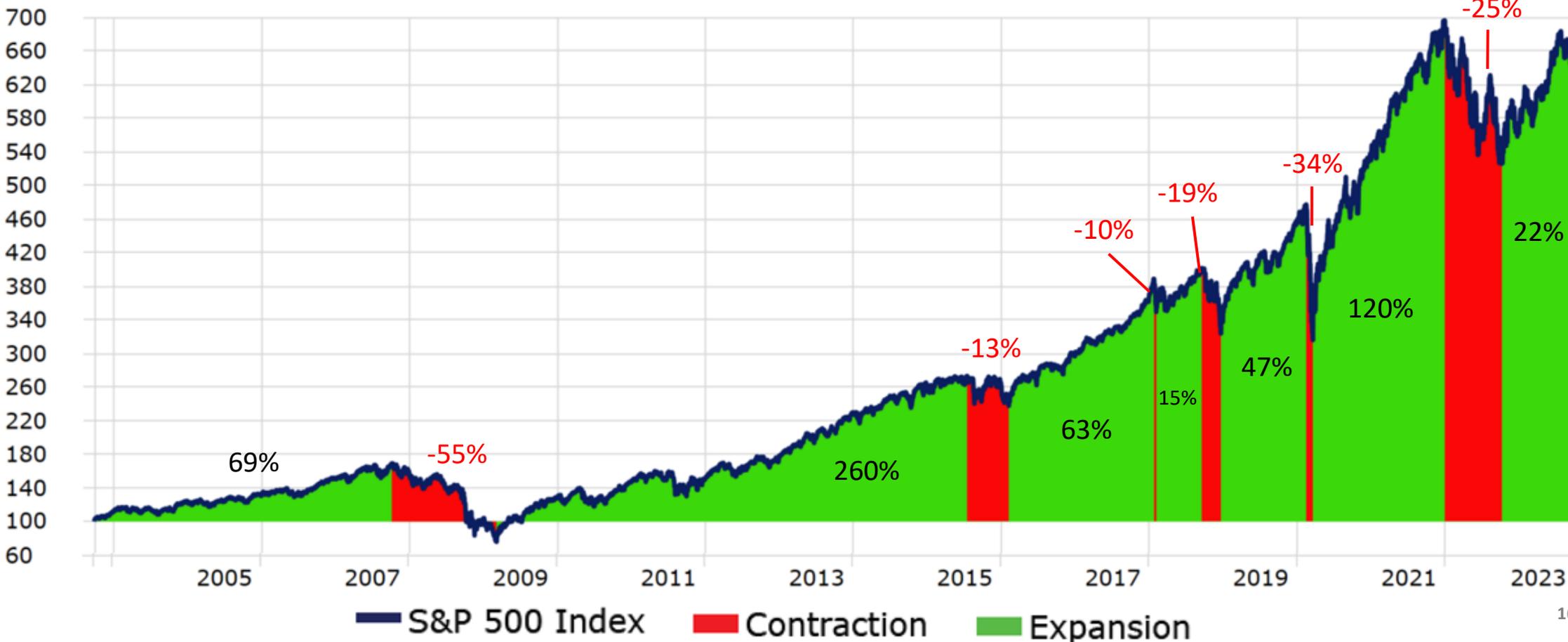


Weathering Stock Market Volatility

20-Year Investment Growth - S&P 500 Index

Time Period: 10/1/2003 to 9/30/2023

Define contraction as decline by 10% or more



Participant Decision #3

Beneficiary Designation



Beneficiary Designation

■ Married Participants

- Your spouse is your beneficiary unless this person waives the right
- You should still complete a beneficiary designation form to name secondary beneficiaries
- If waiver is signed, then you will need to specify your primary beneficiary, as well as name your secondary beneficiary

■ Single Participants

- You should review your beneficiary designation to ensure that you are in agreement with your most recent selection
- Default beneficiary is your estate

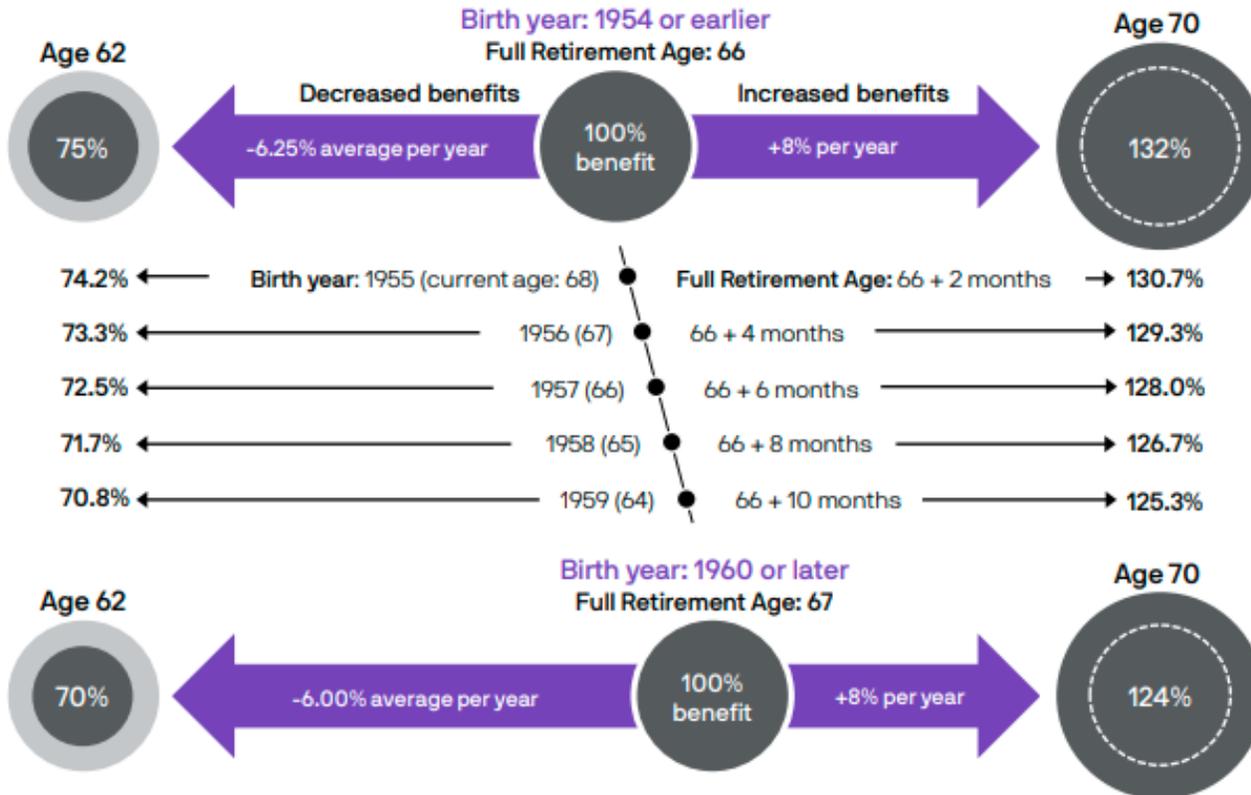
NOTE: All participants should ensure that their beneficiary designations are in agreement with their estate documents, consulting attorneys or financial planners as necessary



Social Security – Additional “Catch-Up” Option

Benefits differ by birth year and claim age

Full Retirement Age (FRA) = 100% benefit



Cost of living increase for benefits received in 2023

8.7%

Average cost of living adjustment (1985-2023)

2.8%

Understand the trade-offs

Deciding when to claim benefits will have a permanent impact on the benefit you receive. Claiming before your full retirement age can significantly reduce your benefit, while delaying increases it.

In 2017, full retirement age began transitioning from 66 to 67 by adding two months each year for six years. This makes claiming early even more of a benefit reduction.

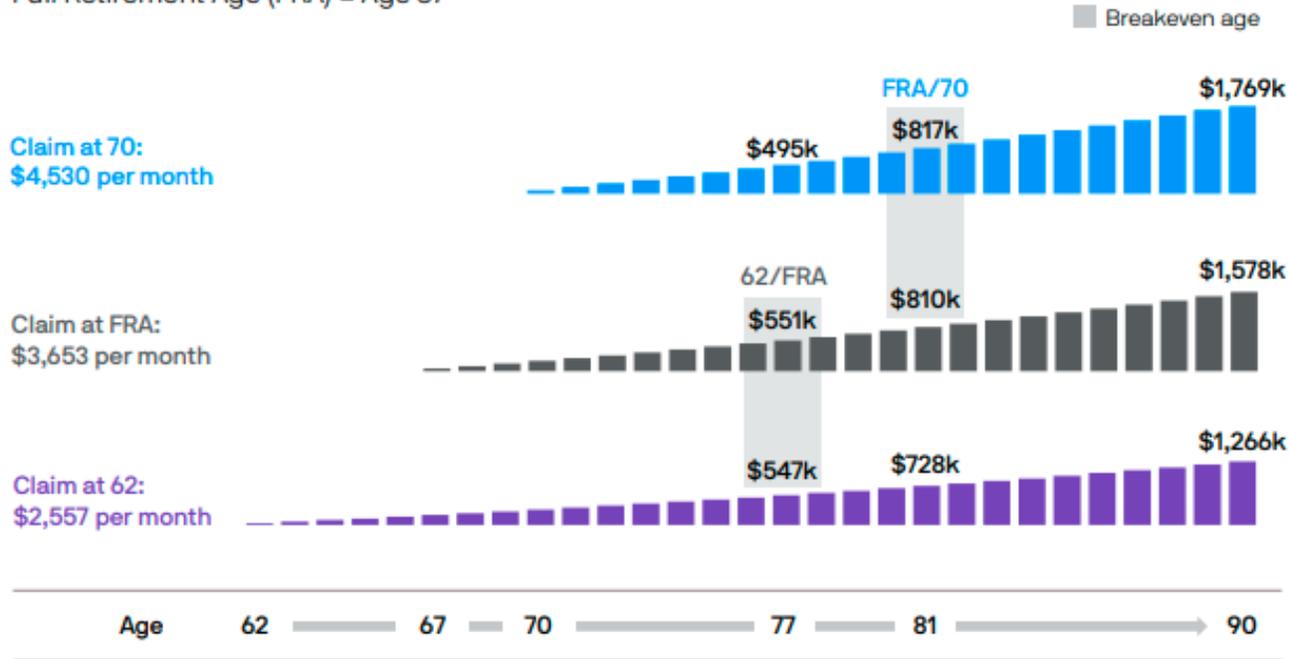
Source: “JP Morgan Guide to Retirement, 2023 Edition”, JP Morgan



Social Security – Additional “Catch-Up” Option

Cumulative individual maximum benefit by claim age

Full Retirement Age (FRA) = Age 67



Age	62	67	70	77	81	90
At age 62, probability of living to at least age:	100%	93%	87%	71%	58%	23%
Male (♂)	100%	96%	92%	80%	69%	34%
Female (♀)	100%	99%	99%	94%	87%	49%

Planning opportunity

Delaying benefits means increased Social Security income later in life, but your portfolio may need to bridge the gap and provide income until delayed benefits are received.

Source: “JP Morgan Guide to Retirement, 2023 Edition”, JP Morgan



Social Security – Additional “Catch-Up” Option

- Spousal Benefits (includes some domestic partnerships and civil unions as determined by the Social Security Administration)
 - Spouses are eligible to collect up to 50% of the benefit of their husband/wife
 - Working spouses will want to compare their own earned benefit against their available spousal benefit to ensure they receive the maximum available benefit
- Important Message: Study Your Social Security Options
 - There are many different solutions to be considered
 - Each person’s case and situation will be different
 - Resources: Financial advisors, literature ([Social Security For Dummies](#)), your local Social Security office, etc.



Cybersecurity Considerations

Retirement plan information is not immune to cyber threats!



Actions to Help Mitigate Risk

- Use strong passwords and change passwords with frequency
 - TIAA mandates two-factor authentication for additional protection
- Use secure networks
- Regularly review your retirement account information
- Systematically install and update anti-virus/spyware software
- Be careful about the information you share, and who you share it with
 - Learn to identify phishing and other schemes for collecting personal info



Final Thoughts & Action Items

- Take advantage of the Bradley match
- Review your existing savings strategy, investment selections, and beneficiary designation(s)
- Maintain a long-term focus in your retirement investing





Thank You



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