University of San Francisco case study

Staying ahead of the game with a simplified, stronger retirement plan

High-level impacts:

Moved from a multivendor to a single-recordkeeper environment

Transitioned 458 employees and $57M in assets

Reduced recordkeeping fees from 9 bps to 5.5 bps

Increased total contributions by 13%

The University of San Francisco (USF) has a history of improving its retirement plan to appeal to and promote the financial well-being of its diverse employees. These actions have been critical to supporting USF's goal to design a more efficient and cost-effective plan.

In 2014, USF moved from a three- to a two-vendor plan, with Fidelity and TIAA independently overseeing their respective offerings. In 2018, USF instituted TIAA's multivendor coordinator solution to further streamline retirement plan administration and simplify access for employees.

"We're constantly looking for ways to increase administrative efficiency and facilitate compliance while also lowering recordkeeping fees and expenses for employees," says Ron Chin, USF retirement plan manager.

For that reason, and after evaluating responses to an RFP issued in late 2019, USF chose TIAA as the single recordkeeper for its plan. But a decision to put the project on hold due to the pandemic eventually led to an even better solution for USF.

A larger retirement plan solution takes shape

While waiting for a hoped-for return to normal, USF underwent a complete retirement plan review in partnership with consulting firm CAPTRUST in January 2021. The USF retirement committee determined that enhancing the USF Defined Contribution Plan 401(a) and the USF Voluntary Retirement Plan 403(b) called for changes beyond just the switch to a single-recordkeeper environment.

After considering specific TIAA recommendations, they also chose to partner with TIAA to:

- Implement a new cost structure to help employees better understand how retirement plan fees are assessed and collected
- Simplify and improve the 401(a) and 403(b) plans by introducing one menu for both plans and lowering costs on many investments
- Add TIAA Brokerage Services to the 403(b) plan to expand the investments available, including many Fidelity funds
- Improve employee access to their retirement plan accounts and tools through single sign-on and integration with the USF Works benefits page

And it wasn't just what but how TIAA would implement these improvements that was important. "We were concerned that employees would think we were taking away a choice of financial institutions, so we knew that appropriate communication would be vital, especially with employees working remotely," explains Chin. "We also needed to ensure that project activities would be well coordinated with USF IT Services so that internal resources would be there when needed and disruption minimized."

One project; three key transitions

The change in scope meant that the project would involve three key transitions:

- Moving to a single-recordkeeper environment
- Implementing a more automated recordkeeping platform
- Deploying single sign-on

"Weekly meetings that TIAA initiated before the rollout even began made it easy to address any open issues and keep major milestones on track," says Chin.

Through tight coordination, the USF retirement plans were successfully streamlined and transitioned to TIAA in July 2021 as scheduled. At that point, TIAA was now the single recordkeeper, single sign-on was live, and asset and data consolidation from Fidelity was finalized.

> "The fact that we had previously deployed TIAA's multivendor coordinator solution saved us extra preparation and time as we made the transition to a single-recordkeeper environment."
>
> *Ron Chin*
> *USF Retirement Plan Manager*

To prepare current and former employees for these changes, TIAA collaborated with USF to develop a comprehensive outreach strategy, including:

- An announcement postcard sent to employees' homes to highlight retirement plan changes and upcoming communications
- A series of emails encouraging employees to take action before and after the transition period

- A USF-branded transition brochure with full details of what to expect mailed 30 days prior to plan changes, along with blackout/default notices and related fact sheets
- Live Q&A webinars that were recorded for on-demand viewing
- A brokerage user guide to help those new to the TIAA Brokerage offer
- An enhanced, custom USF website with instructions on how employees can change their 403(b) contributions and get further help
- One-on-one financial counseling sessions (virtual and by phone)

Plan changes promote greater participation and streamline administration

Engagement was strong due to the multichannel communications campaign, and hundreds of employees attended the live webinars and took advantage of one-on-one financial counseling sessions. In just a few months, by the end of July 2021, more than 458 employees transitioned from Fidelity to TIAA, representing more than $57 million in assets.

In the end, all these changes, including streamlined plan access and a new fund lineup, have helped USF make significant progress toward its retirement plan goals:

- **Lower recordkeeping fees:** Recordkeeping fees are more than 60% lower—from 9 bps to 5.5.
- **Fee leveling:** All USF participants pay the same percentage toward plan administration, regardless of investment choices.
- **Higher contributions:** Total contributions increased 13% from the previous year.

Efficiency has improved, as well. “Thanks to our new automated recordkeeping platform, there isn’t a single piece of paper that crosses my desk anymore,” says Chin. “And with TIAA as our single recordkeeper, we’ve also been able to reduce litigation risks that were associated with managing multivendor plans.”

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TIAA

Time period was 1/1/2021–7/31/2021. Results experienced by the university may not be typical of all plans. Individual results and investment value will vary.

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