DUE DILIGENCE BEGINS WITH CAREFUL OVERSIGHT

CITY UNIVERSITY OF NEW YORK

JUNE 2015 – UPDATES FOR THE BOT FSA COMMITTEE
In recent months, a Task Force was created to review the CUNY Retirement Program to identify any additional efficiencies and available options which will help to improve retirement outcomes for the participants of the CUNY Retirement Program.

Initial Considerations:

• CUNY’s offerings span across multiple vendors and providers with varying costs to the participants, based on services available

• Certain NYS laws/regulations affect the Program’s offerings

• Reviewing / analyzing / benchmarking costs for participants is a priority

• Reducing or eliminating any redundancies, and streamlining any administrative processes will also help service providers focus more on retirement outcomes
After consideration of trends within major higher education systems and thorough review of the CUNY Retirement Program, the following are certain best practices under consideration for the future:

- Consolidate to a single recordkeeper, or at least reduce the number of recordkeepers (currently 9) to as close to one as possible
- Structure the number of investments offered to a single best-in-class array of 20-25 funds that is the same array for both the TDA and ORP plans, including mutual funds
- Examine the feasibility of eliminating payment of asset-based revenue sharing in favor of fully-disclosed flat fee arrangements paid from an expense reimbursement account therein reducing fees
- Develop a participant education policy for the plan that is specifically designed to improve participant readiness, with specific timelines and result targets
- Consolidate all frozen contracts/plans via merger into existing contracts/plans
- Examine Plan loan policy to improve retirement savings and readiness; reduce number of Plan loans available to between 1 - 5 outstanding loans per participant
- Offer Roth option to participants
The Task Force will be presenting the BOT FSA Committee with considerations in a phased approach, in pursuit of best practices and reducing participant fees, ultimately increasing/improving retirement savings outcomes. The goal is to evaluate these considerations over the 2015-2016 Academic Year.

- Enhance the participant experience and improve retirement readiness:
  - Consider the expansion of retirement savings vehicles, e.g., offer a Roth 403(b) option
  - Evaluate investment offerings to provide for proper diversification, including the addition of mutual funds
  - Facilitate access to varied types of distributions for separated employees
- Analyze administrative policies, where changes may reduce costs and improve administration:
  - Examine the Loan Policy
  - Evaluate the risks/benefits of the 15-Year Catch-up provision
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