

February 2020

**Important information regarding fees and credits for the Yale University retirement savings program**

Dear Colleague,

Yale University continually works to review and evolve its retirement savings program. In March 2019, the new Yale Target-Date Plus Service was introduced and the investment lineup was streamlined. Over 90% of Yale's participants are now invested in a low-cost Yale Target-Date Plus model portfolio. The Service automatically rebalances your model portfolio to its target allocation each quarter, and adjusts each model portfolio along the intended glidepath annually.

We also negotiated reduced recordkeeping fees and a low asset-based service fee for the independent fiduciary overseeing the Yale Target-Date Plus Service.

Effective April 1, 2020, Yale will change the way plan participants pay plan expenses and receive annuity investment credits. Previously service fees were deducted from annuity investment credits annually. Now both fees and credits will be applied directly to participant accounts quarterly, making them easier to identify. This new approach is being used by an increasing number of institutions, as it adds transparency with both credits and fees.

Beginning June 30, 2020, depending on how you are invested, your quarterly account statement will include:

- Annuity investment credits each quarter for accounts with annuity balances
- A 403(b) plan servicing fee of \$10.50 each quarter
- A model portfolio fee of 0.0045% each quarter on balances managed by the Yale Target-Date Plus Service

**Additional information about the Yale University 457(b) Deferred Compensation Plan**

You are eligible to participate in or have a balance in the Yale University 457(b) Deferred Compensation Plan. A quarterly plan servicing fee of \$6.75 will be applied to balances in the 457(b) plan. If you have annuity investment options or are invested in the Yale Target-Date Plus Service in your 457(b) plan, you will receive annuity investment credits and be assessed a model portfolio fee as listed above.

The enclosed document specifically describes how administrative expenses are paid, credits are applied, and model portfolio fees affect the 403(b) plan balances. These calculation methodologies also apply to 457(b) plan balances, but the calculations for 457(b) plan accounts are made independent of calculations for 403(b) plan accounts.

The changes will go into effect automatically and no action will be required. If you have questions about any of the fees and credits associated with the Yale retirement savings program, call TIAA at **855-250-5424**, weekdays, 8 a.m. to 10 p.m., and Saturday, 9 a.m. to 6 p.m. (ET).

Sincerely,



Hugh K. Penney  
Senior Advisor for Benefits Planning