



FREQUENTLY ASKED QUESTIONS

UPCOMING CHANGES TO THE DREXEL UNIVERSITY DEFINED CONTRIBUTION RETIREMENT PLAN

1. What's changing?

- **TIAA will be the single recordkeeper for the Drexel University (Drexel) retirement plan.** The plan affected by the upcoming transition is the Drexel University Defined Contribution Plan (the Plan). Moving to a single recordkeeper will help streamline administration and consolidate Plan information for participants.
- **There will be a new investment lineup.** The lineup will include some of the current investment options, as well as new options. Vanguard Institutional Target Date investments will be added to the menu. See pages 8 – 9 in the Transition Guide for the new investment lineup.
- **Fidelity investments will no longer be included on the lineup.** Investments currently with Fidelity will transition to the new lineup as described on page 18 in the Transition Guide. Due to the absence of mutual institutional selling agreements between Fidelity and TIAA, Fidelity funds can only be purchased after the transition date through a TIAA Brokerage account.
- **The current default investment will remain unchanged.** The TIAA-CREF Lifecycle Index Fund closest to the year the participant turns age 65 will remain the default investment for participants who do not make their own investment selections. In addition, any balances currently in target-date investments at Fidelity will be mapped to the TIAA-CREF Lifecycle Index investments; however, any balances in the Vanguard Target Retirement investments – Investor share class will be mapped to a new, lower-cost Vanguard Target Retirement Fund – Institutional share class on the new TIAA investment menu.
- **The brokerage option will only be available through a new TIAA Brokerage account.** There will be a transition plan for those who currently have a brokerage account with Vanguard or Fidelity. In addition, brokerage transaction fees will be waived for all of 2022 and will resume in 2023.
- **New services will be available for all Plan participants.** Services such as single sign-on (SSO), an optional automatic employee contribution increase feature, and online enrollment and salary deferral will make it easier to access your retirement account and save for your future.
- **New, more transparent fee structure.** Going forward, the recordkeeping and administrative fees will be more transparent and you will see the fees reported on your quarterly statement.



2. Why is Drexel making these changes?

The decision was made after the Drexel University Retirement Investment Committee (composed of Drexel faculty, Human Resources, and finance leaders) and Newport Capital Group (an independent financial consultant) conducted an extensive review of Drexel's Defined Contribution Retirement Plan. The changes reflect Drexel's ongoing commitment to continuously evaluate the cost-effectiveness and performance of Plan providers and investment choices.

Moving to a single recordkeeper with an updated investment lineup is expected to provide benefits to participants as well as to Drexel.

Benefits for Drexel Plan participants

- Lower fees for most Plan participants
- Easy access to the entire investment lineup, as well as other Plan information and features (e.g., Plan highlights, quarterly statements, loans, online tools and resources), through one recordkeeper
- Access to TIAA financial consultants who help select retirement plan investment options *at no additional cost to participants*
- Easier to invest, manage and track their accounts through a single recordkeeper
- Integrated quarterly statements that provide comprehensive account information
- One website for participants to maintain beneficiary and personal account information, as well as manage all retirement plan investments
- One participant services phone number for Plan inquiries and assistance

Benefits for Drexel University

- Easier to monitor costs and investment performance
- Simplified fiduciary role by monitoring fewer providers
- Continued opportunity to add and remove Plan investments
- Streamlined compliance and Plan reporting
- Opportunity to view retirement plans holistically to facilitate evaluation and planning

A number of higher-education institution peers are moving to a single recordkeeper. This has become a "best practice" for many plan sponsors (Yale did this in 2019, Harvard in 2020, and University of Pennsylvania in 2021). Having a single recordkeeper allows Drexel to obtain better financial services and educational programming for Plan participants. It can also reduce administrative complexity and cost for participants (including beneficiaries) and for Drexel.



3. Why was TIAA chosen as the single recordkeeper instead of another option?

TIAA was selected because of its focus on retirement outcomes and vast experience with higher education 403(b) plans. In addition, TIAA is currently the recordkeeper for the majority of plan participants and, therefore, the move to TIAA would cause the least disruption. Lastly, TIAA can provide the most streamlined and efficient participant experience, as certain individually owned TIAA annuities cannot be transferred to another recordkeeper.

4. Were faculty members involved in the decision to move to consolidate the Plan to TIAA?

Yes—Drexel leadership, staff and faculty did extensive research and collaborated towards making the best decision for the University. Faculty is represented with a voting member on the Investment Committee, which played a key role in this decision. Drexel worked with internal and external peers reviewing data that supported this direction.

5. Who is affected by the change?

Current and former faculty and staff with balances in the Drexel University Defined Contribution Retirement Plan.

6. When is this happening?

The changes will begin November 15, 2021, and are expected to be complete by the week of December 6, 2021.

7. Do participants need to do anything now?

Yes—the checklist on page 2 in the Transition Guide highlights the following action items:

- Review your current investment choices.
- Effective on or about November 16, 2021, you can select investments from the new menu.
- Name or update your beneficiaries on your new account on or about November 16, 2021.
- Schedule a one-on-one counseling session with a TIAA financial consultant, if needed.
- Register for information sessions.
- Explore online tools.

8. What happens if I don't do anything?

Future contributions and account balances for **Fidelity and Vanguard** participants will automatically transfer to options in the new investment lineup in your account with TIAA. Your beneficiary designation will remain in effect if you currently have a plan account solely with Fidelity **or** Vanguard. Your TIAA beneficiary designation will apply if you have plan accounts with both TIAA and Fidelity and/or Vanguard.

For **TIAA participants**, any balances and future contributions being directed to investments on the TIAA lineup that are being removed will transfer to new investment options.

Review the details for each provider on pages 17 – 23 of the Transition Guide.





9. What happens to investments and balances that participants have with current service providers?

Participant account balances and any future contributions will automatically transfer as follows:

- **Fidelity**—A new account will be opened with TIAA. Participant balances and any future contributions will automatically transfer to TIAA as described on pages 17 – 19 in the Transition Guide. Any current brokerage account balances will transfer in kind (if available) to a new brokerage account with TIAA. Once balances have transferred, your Drexel retirement account at Fidelity will show a zero balance.
- **Vanguard**—A new account will be opened with TIAA. Participant balances and any future contributions will automatically transfer to TIAA as described on pages 20 – 22 in the Transition Guide. Any current brokerage account balances will transfer in kind (if available) to a new brokerage account with TIAA. Once balances have transferred, your Drexel retirement account at Vanguard will show a zero balance.
- **TIAA**—Participant balances and future contributions will automatically transfer to options in the new investment lineup as described on page 23 in the Transition Guide.
- **Multiple service providers**—Fidelity/Vanguard/TIAA account balances and any future contributions will all automatically transfer to the participant’s TIAA plan account as described in the Transition Guide. For additional details regarding your prior Drexel retirement accounts after the transition, please contact Fidelity and/or Vanguard at:

Fidelity: 800-343-0860

Vanguard: 800-523-1188



10. What is happening to my beneficiaries that I have on file with Fidelity and/or Vanguard?

Here's how beneficiary designations will apply from prior Fidelity and Vanguard accounts:

If you currently have an account with...	Then...
Fidelity or Vanguard only	your current beneficiary will automatically transfer to TIAA
Fidelity and/or Vanguard and TIAA	your Retirement Choice (RC) contract beneficiary designation at TIAA will supersede any other designations from Fidelity and/or Vanguard
both Vanguard and Fidelity	your beneficiary designation will be set to "Estate"

To change your beneficiaries before the transfer to TIAA, please submit any updates before November 1, 2021. You may also update your beneficiaries at TIAA anytime after November 16, 2021. Please be sure to review and update your beneficiary information to ensure it reflects your intentions.

11. Will I need to submit a new spousal waiver for my non-spouse beneficiaries?

Under many retirement plans, spouses are entitled to receive at least 50% of the participant's retirement plan death benefits. If you would like to direct less than 50% to your spouse, you and your spouse will need to complete a spousal waiver form for each affected contract. If such a spousal consent is not executed, your spouse will be entitled to receive at least 50% of your preretirement survivor benefits, regardless of your beneficiary designation.

Please note: If you currently have a signed spousal waiver on file with Fidelity or Vanguard, you will need to request a new beneficiary form and waiver after the new account is set up at TIAA. Also, anytime your marital status changes, it's important to review your beneficiary elections on file to ensure they reflect your intentions and meet spousal waiver requirements where needed.

12. When is the last payroll contribution being made to Fidelity and/or Vanguard?

The last payroll contributions will be sent to Fidelity and/or Vanguard on the following dates:

- October 30, 2021, for monthly payrolls
- November 12, 2021, for biweekly payrolls
- November 10, 2021, for weekly payrolls



13. Will participants need to take any action to continue investing in Vanguard Target Retirement investments?

No. Participants currently invested in a Vanguard Target Retirement Fund will remain in that target-date fund, but in a new, lower-cost Institutional share class at TIAA. The balances and future contributions of participants invested in a Fidelity target-date fund will automatically transfer to the Plan's current default fund—a TIAA-CREF Lifecycle Index Institutional Fund. Additional details on how balances will be transferred can be found on pages 17 – 23 in the Transition Guide.

14. How do TIAA-CREF Lifecycle Index Funds work?

Each lifecycle fund consists of underlying mutual funds that invest in a broad range of asset classes. As a result, a fund will share the risks associated with the securities held by its underlying funds. The allocations and risk level also depend on how many years remain until the fund's target date. To help reduce risk as the fund's target date approaches, the fund's mix of stocks, bonds and other types of investments is adjusted to a more conservative mix.

As with all mutual funds, the principal value of a lifecycle fund isn't guaranteed at any time, including at the target date, and will fluctuate with market changes. The target date indicates when investors may plan to start making withdrawals. However, you are not required to withdraw your money at the target date. After the target date, some of your money may be merged into a fund with a more stable asset allocation. A TIAA financial consultant can help you decide whether a lifecycle fund is right for you.

15. What is the impact to fees associated with these changes?

As a result of these changes, a new investment lineup will be introduced to include investment options previously offered at Fidelity and Vanguard. The new investments offer options with lower fees and overall costs.

In addition, a new fee structure is being implemented to make it easier to see the fees paid for plan administration. In the past, not all participants saw separate charges for retirement plan costs on your quarterly statement. These costs were netted against your investment balances and were based on the total assets in your account. Going forward, recordkeeping and administrative fees will be assessed as a fixed, per-participant fee and will be reported on your quarterly statement. All revenue sharing generated by the investments in the Plan will be credited back to you at the end of each quarter in the form of a "plan servicing credit," provided the dollar-per-participant fee is paid. The dollar-per-participant fee will not be charged on account balances less than \$5,000.

As a result of this new cost structure, most Plan participants will see a reduction in investment costs and recordkeeping fees. Additional details regarding the new retirement plan fee structure can be found on pages 13 – 15 in the Transition Guide.

Vanguard brokerage participants assessed a brokerage liquidation fee as a result of the transition to a single recordkeeper will be reimbursed to the TIAA account once the transfer is complete.



16. What is a “blackout period”?

A blackout period is designated to help facilitate the smooth transfer of existing investment balances from Fidelity and Vanguard to TIAA. During this time, participants will not be able to make investment changes, initiate any withdrawals or distributions, or access their retirement accounts. In most cases, invested assets are not “out of market” for more than one business day.

The blackout period does not impact accounts at TIAA. TIAA participants can continue to update their accounts and make investment elections.

The blackout period will begin November 22, 2021, at 4 p.m. (ET), and is expected to end on or before December 10, 2021. Any scheduled payroll contributions to the Plan will continue to be deducted from participant paychecks during the blackout period.

17. What happens if participants receive regular payments or have outstanding loans?

There will be no interruption in distribution payments. Participants who currently invest with TIAA will continue to receive payments from their TIAA accounts. Participants who currently invest with Fidelity or Vanguard will receive distributions from their new TIAA accounts once the blackout period has ended.

If any action regarding distribution payments is needed, affected participants will be sent a letter with further instructions in late October. If you have additional questions regarding regular payments, please contact TIAA at **800-842-2252**, weekdays, 8 a.m. to 10 p.m. (ET).

18. Can participants continue to invest in funds that will no longer be part of the investment lineup? Are there additional costs to do that?

You may have access to investments that are no longer available on the new TIAA menu but may still be available through the TIAA Brokerage option. The brokerage option allows an account to be opened through the Drexel retirement plan with a licensed brokerage firm that allows buying and selling of thousands of mutual funds, including investments no longer in the lineup, for a transaction fee. The brokerage firm (TIAA) then processes the transactions. Once Plan accounts have been established with TIAA, participants can open TIAA Brokerage accounts and transfer balances or direct future contributions.

Please be aware that Drexel neither selects nor monitors investment funds available through participant brokerage accounts, and TIAA doesn't offer investment advice on brokerage investments. While some brokerage fees will apply, transaction fees in the brokerage option will be waived for all participants in 2022; however, these fees will resume in 2023.



19. Can participants keep existing balances in current investments and direct only their future contributions to the new recordkeeper?

All Fidelity and Vanguard balances in the Plan will be moved to new accounts with TIAA in December.

While faculty and staff members aged 59½ or older are eligible to take a distribution from the Plan, it is important to consider the implications of taking a distribution. Distributions taken from pretax contribution sources will be taxed as ordinary income in the year in which you take a plan distribution and may be subject to additional tax withholding unless rolled over to another qualified plan or IRA. Please consult a tax professional prior to taking retirement plan distributions to fully understand the tax implications based on your personal situation. Keep in mind that after the transition, all new contributions to the Plan will be made to a TIAA account.

The transition to a single recordkeeper will not impact your personal accounts outside of the Drexel Plan. You can continue to manage your personal (non-Drexel plan) accounts through your existing arrangements.

20. Why have investment options available in the past been removed from the investment lineup?

The new lineup offers participants an opportunity to make diverse choices from a manageable number of investment options. This simplifies the selection process for participants and can help keep them from feeling overwhelmed.

In addition, with this transition, Drexel was able to obtain reduced fees for many investments, which can also be a benefit to participants. Participants who want to choose from additional funds can open a TIAA Brokerage account. As a reminder, brokerage investments are not monitored by Drexel and you will be solely responsible to monitor the performance and fees associated with the funds in the brokerage account.

21. How do participants open a brokerage account?

TIAA participants can open a brokerage account at any time, as this option is currently available in the Plan. Fidelity and Vanguard participants can open a brokerage account once their TIAA account is opened on or about November 15, 2021. Participants can open a TIAA Brokerage account online or by calling **800-927-3059**, weekdays, 8 a.m. to 7 p.m. (ET).

Fidelity or Vanguard participants currently investing through the self-directed brokerage account option at Fidelity or Vanguard will automatically have a new TIAA self-directed brokerage account opened. Fidelity/Vanguard brokerage balances will transfer in kind (if available). With the in-kind transfer, your holdings will not be sold and repurchased; your holdings that transfer from Fidelity or Vanguard to TIAA will remain fully invested during the transfer period. In addition, the brokerage liquidation fee charged by Vanguard will be reimbursed once the transfer is complete.

22. What are the new fees for the Drexel University Defined Contribution Retirement Plan accounts?

Drexel has obtained lower fees for most participants. A new approach for assessing plan recordkeeping and administrative costs is changing as part of this transition. Currently, these costs are paid out of the investment expenses charged by the providers of the funds you are invested in, based on the total assets in each participant's account. An explicit recordkeeping charge has not been detailed previously because these charges are currently bundled within the annual operating expense ratio of the investment options.

Going forward, the recordkeeping and administrative fees will be more transparent and you will see the fees reported on your quarterly statement. A complete list of fees by investment option is included in the Transition Guide on pages 8 – 9, and details on the new fee structure can be found on pages 13 – 15.





23. What options are available to retired participants, or those considering retirement soon?

If you have Plan balances at Fidelity or Vanguard, your account will automatically transfer to TIAA in December 2021. You won't be able to maintain an existing Drexel retirement plan account with Fidelity or Vanguard after the transition is complete. While it's possible to move your money from the Plan to an Individual Retirement Account (IRA) when you become eligible to take a distribution from your Plan account, there are benefits to staying in the Plan that may be valuable to you. These include:

- **Investment oversight**—Drexel provides ongoing review of the Plan's investment options.
- **Low-cost fees**—Lower fees on many of the Plan's investment options have been obtained by Drexel.
- **Help when needed**—TIAA financial consultants are available to answer retirement planning questions and assist you with the selection of investments.

To summarize, depending on the timing of your retirement:

If you retire...	Then...
before balances transfer to TIAA, and you want your Drexel retirement plan balances to remain at either Fidelity or Vanguard	you can request a rollover* out of the plan from your current provider (Fidelity or Vanguard) into an individually owned account (such as an IRA) with whatever provider you choose.
after your Drexel retirement plan balances transfer to TIAA	you can leave your money in the Drexel retirement plan or request a rollover* out of the plan (from TIAA) into an individually owned account (such as an IRA) with whatever provider you choose.

*Please note: All Drexel retirement plan distributions are subject to Plan rules.

24. How can I access my account once the transition is complete?

Beginning December 8, 2021, you can access your TIAA account through **DrexelOne**. From the *Employee* tab, scroll down to the *My Benefits* heading on the left-hand side of the screen and select the link for *Retirement Plan Management*. This will allow you to access your TIAA account without having to supply additional login credentials.

Once on **TIAA.org**, from the *Actions* tab, you can:

- **Change the contribution amount.** Select *Change contribution amount*. Update the dollar amount or percentage for your contributions and the date to make your change effective.
- **Set up the automatic increase feature.** On the *Change contribution amount* screen, you may also elect the Auto Increase feature. This allows you to automatically increase your contributions to help save more for retirement. You can select the amount of the increase, the frequency and the start date.
- **Change the investment of future contributions.** Select *Change your investments* from the *Retirement Plan Management* section, then *Choose future investments*, then *Make changes*. Choose each account or contract to update, then enter investment instructions.
- **Transfer assets among plan investment options.** Select *Change your investments* from the *Retirement Plan Management* section, then *Exchange*, then *Make changes*. Choose each account or contract to update, then enter investment instructions.
- **Update your beneficiary designation.** Select *Add/edit beneficiaries* from the *All accounts* section, then select *Add new* to make changes to multiple accounts or *Edit existing* to update beneficiaries on a specific account.
- **Take care of administrative needs.**
 - Review and update your personal information.
 - Check account balances and confirm contributions.
 - View and research the performance of the Plan's investment options.
 - Choose eDelivery.

25. Where can participants get more information and assistance?

In addition to the Transition Guide, Drexel and TIAA will host several information sessions to assist participants with questions. A schedule of the online and in-person events is available at TIAA.org/drexel/transition.

TIAA can assist participants with the selection of specific investment options from Drexel's Plan lineup (fund-level advice). There is *no additional cost to participants* to meet one-on-one with a TIAA financial consultant.

TIAA maintains a local office in University City at 3737 Chestnut Street, and also offers sessions on campus. Participants can schedule a consultation by visiting TIAA.org/drexel/transition or calling **800-732-8353**, weekdays, 8 a.m. to 8 p.m. (ET).





26. What should I expect from a one-on-one investment advice session?

You can expect a thorough review of your retirement plan account and an action plan for moving forward. Advice sessions last approximately one hour. Bring all your investment account statements, including any retirement investments outside of the Plan, current pay stub and your most recent Social Security statement, if available. A TIAA financial consultant will use this information to understand your current financial situation and develop an action plan. You may bring anyone you like to the session with you. To view available times and schedule a session, visit TIAA.org/drexel/transition.

27. What are annuities?

There are different types of annuities, but they are typically designed to potentially grow your money while you're working and provide you with the option to receive income for life when you retire. In fact, annuities are the only retirement products that can guarantee to pay you (or you and a spouse or partner) income for life.

Guaranteed annuities (also known as fixed annuities):

Earn a minimum guaranteed interest rate on your contributions. Some guaranteed annuities, such as TIAA Traditional Annuity, also offer the potential for additional amounts of interest. In retirement, guaranteed annuities can offer you income for life that will never fall below a certain guaranteed level and provide income that is guaranteed to last for your lifetime. Guarantees are based on the claims-paying ability of the issuing company.

Variable annuities:

Invest in a variety of asset classes, and account values will fluctuate based on the performance of the investments in the accounts. It's possible to lose money in variable annuities. In retirement, variable annuities can provide an income stream guaranteed to last for your lifetime. The amount of a variable annuity income payment, however, will rise or fall based on investment performance.

28. Whom do I contact if I have additional benefit questions?

Please contact the Drexel HR Service Center at hr@drexel.edu or call 215-895-2850.



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You should consider the investment objectives, risks, charges, and expenses carefully before investing. Please call 877-518-9161 or go to [TIAA.org/drexel](https://www.tiaa.org/drexel) for current product and fund prospectuses that contain this and other information. Please read the prospectuses carefully before investing.

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