**UUA RETIREMENT PLAN COMMITTEE**

**24 Farnsworth Street, Boston, MA 02210 - 1409**

***Meeting Minutes Friday, December 8, 2017 Meeting (2:30 – 5:00 p.m. (ET))***

**RPC Members in attendance:**

Paige Roth, Chair

Kevin Bolton

Tim Brennan, UUA CFO/Treasurer

Katherine (Kathy) Brewin

Andrew (Andy) Chirch

Lucia Santini Field, UUA Financial Advisor

Nick White

**Staff:**

Rev. Richard Nugent, Director, Church Staff Finances

Linda Rose, Director, UUA Retirement Plan

Kati Campopiano, UUA Human Resources and Benefits Manager

**Consultants:**

Chris Rowlins, Principal, Senior Consultant, Fiduciary Investment Advisors, LLC

David Iden, Institutional Relationship Manager, Institutional Client Services, TIAA

**Guests**:

Mark Golden, Managing Director, Individual Advisory Services, TIAA

Jim Weis, Director, Northeast Region, Individual Advisory Services, TIAA

**Unable to attend:**

Rob Molla, Director, UUA Human Resources

**Background Documents distributed to the committee prior to the meeting**:

1. Agenda (Draft) RPC Meeting; December 8, 2017
2. RPC Minutes (draft): October 3, 2017
3. IPS (Investment Policy Statement)
4. Fiduciary Investment Advisors 3Q 2017 Report
5. TIAA Plan Review: Q3 2017
6. News Articles re: TIAA and TIAA’s response
7. TIAA’s Individual Advisory Service (IAS)
8. Employer Participation Agreements: 2017 Summary
9. 2017 Annual Plan Notice (sent to participants)
10. 2018 Salary Reduction Agreement (for participants/employers)

**Meeting Called to Order:** Paige Roth, Committee Chair, called the meeting of the UUA Retirement Plan Committee to order at 2:30 p.m. Quorum established.. Linda Rose took meeting minutes. The Committee reviewed the mission statement and accepted the proposed agenda.

**Review of October Meeting Minutes:**

**Andy Chirch moved to accept the October 3, 2017 meeting minutes as written. Lucia Santini seconded. Approved Unanimously. No abstentions. Minutes accepted.**

**Process Observation:** Since process observation is more challenging during a conference call, the Committee agreed that today’s meeting would be informally observed. The Process observation form will be provided in the next meeting packet, and going forward.

**Investment Policy Statement (IPS):** In keeping with best practices, the Investment Policy Statement is reviewed annually, and if appropriate, amended by the Committee. The Committee noted language in the IPS that references Unitarian Universalist values and Socially Responsible Investing (SRI) factors in the context of prudent management. The values-related language states that the committee can select investment options that incorporate SRI/ESG practices and reflect ethical characteristics of fund management as long as the investment option meets core criteria. One investment objective is to offer a broad range of investment options which allow for participant choice among various asset classes and investment styles. Committee members’ suggestions for changes or clarifications to the IPS are welcomed. The Committee also questioned whether the IPS should contain more precise language regarding how proxy voting is handled, the fact that the committee has authorized the Plan Director and/or UUA OCSF Director to sign documents that enact decisions made by the committee, and that the committee has the authority to appoint FIA and share authority with FIA. A subcommittee, chaired by Kevin Bolton, will review the IPS in light of the Committee’s discussion.

**Fiduciary Insurance Coverage:** The UUA carries insurance relevant to the Committee, including Directors and Officers (D&O) Liability Insurance ($5 million), Fiduciary Liability insurance ($3 million), and coverage related to employee theft. The UUA Bylaws section 10.12 provides indemnification to committee members, individually, to the extent legally permissible. The UUA reviews coverage at least every two years. It is nearly time for that periodic review. The committee requested a copy of the D&O coverage and would like to consider having an insurance expert attend a future meeting to discuss the adequacy of these insurance policies.

**TIAA and the Media: Individual Investment Services David Iden, Mark Golden & Jim Weis**

TIAA Individual Advisory Services Director, Mark Golden, and the Northeast Regional Director, Jim Weis, discussed the recent articles in the *New York Times* concerning the operation of TIAA’s advisory services teams.

A wide ranging discussion took place which included the following questions:

* Who has access to guidance (one annual free guidance session vs. an ongoing relationship)?
* Which of our plan participants have access to one of the five dedicated IAS advisors who are aware of the tax advantages of a church retirement plan?
* What specific problems have been experienced by UU IAS clients?
* To what extent is TIAA resolving problems reported by UU participants promptly and definitively?
* To what extent is TIAA incorporating UU Clergy participants’ unique tax advantage into their recommendations?
* What is TIAA’s response to the Times articles which assert that TIAA advisors are self-dealing?

TIAA offers two levels of investment guidance and education. Every one of our plan participants, regardless of balance in the plan, is entitled to one free guidance session annually to review allocations and strategy. Beyond that, plan participants with $250,000 or more in total household assets invested in TIAA or individuals with more complex needs have ongoing access to TIAA”s Individual Advisory Services (IAS).

To address the unique needs of clergy plan participants, five designated IAS professionals have received additional training on clergy tax-related issues. At present, 273 Plan participants have been assigned an IAS advisor. 240 have been contacted by TIAA and 161 have met with an IAS advisor. An issue that has arisen relates to the modeling software (Ibottson) program used by the advisors that does not take into account the federal tax benefits extended to clergy. The Committee and TIAA guests discussed work-arounds.

The *Times* articles pointed out that some institutional investment menus offer primarily TIAA proprietary investments. This is not the case with the UUORP where most fund offerings are not TIAA funds.

The question was asked whether TIAA sees itself as a fiduciary? Within managed account services, TIAA makes the investment decisions and therefore their services are considered fiduciary, but with IAS services; the advisor is not making the investment decision for the plan participant. Instead, the advisor is providing guidance or education, not advice; therefore in that instance is not considered a fiduciary.

The Committee observed that TIAA seems to be responding to the occasional complaints reported to the UU Retirement Plan staff by our participants.

**TIAA Plan Review and Update David Iden**

David Iden, TIAA Relationship Manager, expressed appreciation for the ongoing relationship involving the Committee, the UUA staff, and the extended TIAA team that works to resolve issues as they arise in order to better serve UU plan participants. In early 2018, he’ll review 2017 plan performance and participant demographics.

**Retirement Plan Director’s Report                                    Linda Rose**

Linda Rose, Retirement Plan Director, called the committee’s attention to the various notices included in the meeting materials. Meeting materials included a summary of commitments made by congregations and other UUA-related employers who have adopted the Plan, as reflected on the Employer Participation Agreements. One highlight is that more than 84 percent of participating employers do offer some combination of Employer’s Contributions/ Matching Employer’s Contributions totaling at least ten percent of compensation. Thirty employers offer “auto-enrollment.” Some of the employers have opted to offer Employer’s Matching Contributions. Just as in the case with “Auto-enrollment,” the employers have the added responsibility for explaining to all of their employees what that means, and for properly operationalizing those commitments. The Director reaches out to those congregations each Spring to note that their Agreement on file indicates their commitments, and calls their attention to available resources if they have any questions about what is required of them with regard to proper administration.

A committee member asked about the Plan’s liability if an individual employer doesn’t administer the plan correctly. Both the direct employer and the UUA could be a party to a complaint brought to the DOL by a participant. The responsibility is on each Employer to handle their administrative tasks appropriately, and they are indeed to make correction if there has been some kind of plan administration error.

Since the last committee meeting, fee levelization was implemented for our plan. Fees and credits were reflected on participant statements at the end of September. No participants reached out to the UUA for further information.

**Fiduciary Investment Advisors Quarterly Review: 3rd Q, 2017 Chris Rowlins**

For the newer members of the Committee, Chris Rowlins, FIA Senior Consultant, provided background on Fiduciary Investment Advisors and its services to the UUA and the UU Organizations Retirement Plan. He explained that FIA prepares a quarterly review of key governance topics for consideration of Committee members in addition to the quarterly Economic and Investment Performance review.

Achieving retirement readiness is a collaborative effort on behalf of Plan Sponsor, FIA, TIAA, Employers, and plan participants. In Defined Contribution plans, participants need to be fully engaged and active in order to improve their likelihood of meeting their goals. One of the biggest challenges of our Plan is the reality that our 600+ congregations and other UU-related employers are generally not staffed by HR professionals. This, together with rotating lay leadership, offers unique challenges in the administration of church plans.

**Market Overview and Investment Fund Performance**:

Chris Rowlins reviewed third quarter economic and market trends as detailed in the FIA Quarterly Report. Turning to Third Quarter Fund Performance, the Committee reviewed the various asset classes and underlying funds offered through the UU Retirement Plan. FIA recommended “maintain” status for all funds in our Plan based on their ongoing quantitative and qualitative analysis.

**TIAA website tour:** Linda Rose and David Iden invited interested Committee members to a demonstration of the TIAA website (tools and online resources) from noon to 1:30 pm (ET) on Wednesday, December 13, 2017

**The Committee adjourned at 5:06 p.m.**

**Next Meeting Dates:**

* Friday, March 9, 2018 via web conference 1:00 p.m. – 3:30 p.m.
* Friday, May 18, 2018 in-person at UUA 9:30 a.m. – 3:30 p.m.