

To: UNIVERSITY OF MINNESOTA RETIREES ASSOCIATION (7/1/2020 - 6/30/2021)

From: KENNETH LARSON

Date: JUNE 30, 2021

RE: REPRESENTATION OF UMRA AT UMN FACULTY SENATE RETIREMENT
SUBCOMMITTEE

I represented UMRA at meetings of the Faculty Senate Retirement Subcommittee during the past fiscal year. The Subcommittee, chaired by Myles Shaver of the Carlson School of Management, met seven times during the academic year. Its role is strictly advisory and it does not make decisions regarding University retirement plans.

Early in the year the Subcommittee received information from representatives of Human Resources, the Office of Investments and Banking and Fidelity Investments regarding the shift of record-keeping responsibilities for University retirement accounts from Securian Investments to Fidelity Investments.

Once the Subcommittee was comfortable that the transition had, for the most part, occurred smoothly and that Fidelity's educational efforts regarding the transition and outreach to individual employees and retirees and had been successful, the Subcommittee turned its attention to "decumulation." Decumulation is the time when retirees begin pulling money out of their retirement accounts. Two presentations regarding a potential "Retirement Tier" of investment products, including products like annuities and target date type funds, were made to the Subcommittee. The Subcommittee provided some feedback this year, but the understanding is that development of a Retirement Tier could take considerable time and that there will be more presentations and opportunities for feedback in the future.

The Subcommittee received a presentation in March 2021 from representatives of Securian regarding two of investment products that are heavily used by retirees - the General Account and the General Account Limited. Returns on both of these accounts are based on contracts and not directly on market conditions. Accordingly, the Securian representatives provided assurance to the Subcommittee that it had the financial strength to meet its obligations.

The Subcommittee will next meet in the Fall when the new academic year begins. As of now, a workplace for the coming year has not been presented. Minutes of past Subcommittee meetings may be found at <https://conservancy.umn.edu/handle/11299/3179>.