

MEETING NOTES

To: Kalamazoo Valley Community College Optional Retirement Plan Committee

Date: May 19, 2020

Re: Meeting Notes

Attendees: Brian Lueth, Aaron Hilliard, Philipp Jonas, Paul Rogers (TIAA), Brian Fors (TIAA), Michael Bauer (TIAA), Jeremy Tollas (PMFA), Justin Cohen (PMFA)

Absent: David Brock, Susan Matlis

Plante Moran Financial Advisors – Presented by Jeremy Tollas and Justin Cohen

CARES Act

PMFA and TIAA discussed several key provisions of the Coronavirus, Aid, Relief, and Economic Security (CARES) Act and how they would impact plan participants and sponsors. PMFA also provided a sheet detailing some frequently asked questions.

Market Update and Capital Market Commentary

PMFA provided a capital market and economic overview, highlighting performance of major asset classes and indices year-to-date. Please see the meeting material for market commentary topics.

PMFA also reviewed a presentation on recessions, market corrections, and volatility to provide perspective on the current economic outlook and conditions.

Investment Report Review

PMFA reviewed the quarterly investment report with the Committee in detail. The report includes performance data on all the various investment options offered in the Plan.

PMFA reviewed the performance of several individual funds included in the report.

TIAA-CREF Lifecycle Funds Update

PMFA updated the Committee on recent changes to the glide path of the TIAA-CREF Lifecycle Funds. TIAA has extended the final landing point of the target date series glidepaths from 10 years past retirement to 30 years, with equity exposure decreasing to 20% (previously 35%). The glidepath enhancement was largely driven by long term capital market assumptions and observed shareholder use of target date funds, as participants have remained invested in the Funds well into retirement. PMFA is comfortable with the changes and will continue to monitor going forward.

Fiduciary Responsibilities Presentation

PMFA reviewed the fiduciary responsibilities presentation with the Committee. This presentation is designed to highlight the areas that the Committee should be aware of when performing their fiduciary duties surrounding the retirement plan.

TIAA Discussion – Presented by Paul Rogers, Brian Fors, Michael Bauer

TIAA provided high-level stats regarding the CARES Act and its impacts on the plan participants. At the time of the meeting one individual had taken a CARES Act qualified withdrawal for around \$8,000.

RMD's for the Plan were not stopped automatically by TIAA; however, Participants were notified that they would need to proactively follow up to make changes.

TIAA also provided an update that the CREF Money Market in the legacy contracts (annuity), may lose value or fall below \$1 NAV effective January 1, 2021 as the IRS has informed TIAA that they will not be able to waive the expense ratio of the fund after that point. This does not have any impact on the group contract that have been recently rolled out, as Vanguard Federal Money Market is the money market option in the group contract.

TIAA education specialist(s) were at KVCC until the last day that campus was open for one-on-one meetings, and now have the capability to hold meetings virtually. The Plan is ahead of pace vs. 2019 as far as number of one-on-one meetings.

TIAA updated the Committee on the firms Voluntary Separation Plan (VSP). TIAA continues to be financially sound and company numbers are solid, but they expressed desire to open up a window for those that are close to retiring or may want to separate in the near future. TIAA alluded to an article published regarding the VSP but has assured the Committee that they are continuing with business as usual.

Action Items

- Provide breakdown of each plan's asset allocations in future meetings
- Lisa to confirm that materials are posting to collaboration site correctly