

WE'RE  
LISTENING

February 2016

To: California State University (CSU) Retirees and Former Employees with Balances in the CSU Tax Sheltered Annuity (TSA) Program:

**NOTE:** If you are a retiree who is currently in the Faculty Early Retirement Plan (FERP), or a rehired annuitant and you are currently contributing to the TSA Program, you will receive a separate communication that will address what you need to do as an active participant.

Good News!!

### **Background Information**

The California State University (CSU) previously announced it is making important changes to the Tax Sheltered Annuity (TSA) Program effective April 1, 2016. These changes are designed to improve efficiencies and savings for participants.

The CSU recently submitted a request for proposal to consolidate the CSU TSA Plan from five vendors to one sole vendor. As a result, Fidelity Investments is now the sole record-keeper. Having a sole record-keeper will provide:

- Savings for participants (lower administration fees)
- Streamlining of the number of funds available to make investing easier
- A centralized enrollment (eliminating navigating through multiple microsites to complete simple tasks)
- Consistent messaging and communication

### **What we heard:**

Current participants who have an existing balance(s) with one of the current five TSA plan sponsors (MetLife, Fidelity, VALIC, TIAA-CREF or VOYA) requested the opportunity to:

- Keep their current balance with their respective plan sponsor and **not** have their funds automatically transferred to Fidelity.
- The ability to transfer money to Fidelity if desired.

#### **CSU Campuses**

Bakersfield  
Channel Islands  
Chico  
Dominguez Hills  
East Bay

Fresno  
Fullerton  
Humboldt  
Long Beach  
Los Angeles  
Maritime Academy

Monterey Bay  
Northridge  
Pomona  
Sacramento  
San Bernardino  
San Diego

San Francisco  
San José  
San Luis Obispo  
San Marcos  
Sonoma  
Stanislaus

**What change(s) is CSU making in response to Participant's concerns?**

- Participants with an existing balance in any of the five TSA plan sponsors, MetLife, Fidelity, VALIC, TIAA-CREF or Voya will **not** have their existing funds automatically transferred to Fidelity.
- Participants may elect to transfer their existing balance(s) to Fidelity. Please contact Fidelity at 800-343-0860 or online at <http://netbenefits.com/calstate> for more information regarding the new fund line up effective April 1, 2016.

**When will these new changes take effect?**

April 1, 2016

**What should I be aware of?**

Participants should be aware of the key date below:

- April 1, 2016:
  - Participants may begin to transfer account balances from their current vendor to Fidelity should they choose to. (800-343-0860)

**Loan and Hardship withdrawals**

Retirees and separated employees are not eligible to take a loan or hardship from the CSU TSA Program. This does not change from current provisions.

**Required Minimum Distributions (RMD)**

Since your balances are not being transferred, RMDs will not be impacted.

**What if I have already made a change to my investment options?**

For those participants who took action due to previously being informed that account balances were automatically transferring and transferred all their funds into an annuity, they will be able to transfer their funds back to their original line-up. Please check with your fund sponsor as fees may apply.

**Is there anything else I should be aware of about these new legacy vendors (MetLife, VALIC, Voya, and TIAA-CREF)?**

Since plan assets with MetLife, TIAA-CREF, Voya, and VALIC are not transferring to Fidelity, the CSU will not:

- Be able to negotiate lower administrative or investment fees.
- Be able to intercede on your behalf should you have any problems or issues with your account(s).

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We feel confident that you will be pleased with this change of direction.

Should you have any questions, you may contact Human Resources Management at 562-951-4411.

Sincerely,

A handwritten signature in black ink, reading "Evelyn Nazario". The signature is written in a cursive style with a large, looping initial "E".

Evelyn Nazario  
Associate Vice Chancellor  
Human Resources Management  
CSU Office of the Chancellor