Dear Saint Mary's Community,

The College's Retirement Benefits Committee (RBC), which consists of a faculty representative, staff representative, director of benefits, Controller and the Vice President for Finance and Administration (VPFA) has provided an update on the retirement assets held and managed by TIAA.

The RBC was established to assist and advise the VPFA in fulfilling oversight responsibilities with respect to the retirement benefit plans of Saint Mary's College of California and to help assure that the plans are being managed in the best interests of the plan participants and of the College. These plans include the Defined Contribution Retirement Plan, the Tax Deferred Annuity Plan, the Emeriti Retiree Health Plan and the Emeriti Grantor Trust.

As of December 31, 2017, there are $231.4 million in retirement assets held and managed by TIAA. The balance and one year return net of fees for each plan is as follows:

- Defined Contribution Retirement Plan $116.5 million 15.16% return
- Tax Deferred Annuity Plan $103.0 million 14.54% return
- Emeriti Retiree Health Plan $ 11.4 million 14.71% return
- Emeriti Grantor Trust $ .6 million 12.13% return

It is important to note that each of these returns out performed their respective benchmarks for all timeframes (last quarter, one year, three year, and five year basis). The plan investment gross expense ratios were also reviewed and compared to the peer average gross expense ratios.

- Defined Contribution Retirement Plan .37% compared to .94%
- Tax Deferred Annuity Plan .35% compared to .93%
- Emeriti Retiree Health Plan .74% compared to .96%
- Emeriti Grantor Trust .72% compared to .90%

The RBC recently reviewed a Plan Outcome Assessment of the 403(B) plan assets as of 12/31/17. This assessment reviewed all of the active participants with assets in the Defined Contribution Retirement Plan and Tax Deferred Annuity Plan and assessed the participants' readiness for retirement using a retirement age of 67 with full social security benefits, achieving retirement income replacement ratios, as underlying assumptions. The results indicate that over 50% of our participants are on track to realize an average retirement replacement ratio of 91.9%, with another 41% on track to cover their essential expenses in retirement. The remaining 9% appear to be below the retirement income replacement ratio, but this could be due to age and tenure at the College. For instance someone who is over the age of 50, but has been here less than 5 years would appear to be behind the goal, but that is not taking into consideration other retirement assets that they may have accumulated in their professional life.

Each participant in the plan can access their individual retirement income replacement ratio by reviewing their account with TIAA on the website. For more information, contact the SMC's employee benefits team at benefits@stmarys-ca.edu.