



# GET READY! YOUR PLAN IS ON THE MOVE!

We are pleased to announce that the SURS Self-Managed Plan is moving to a new recordkeeper, Voya Financial® in September 2020.

## Table of Contents

Exciting enhancements are coming September 1, 2020, including:

<b>The Self-Managed Plan will be renamed the SURS Retirement Savings Plan</b> .....	<b>Page 2</b>
<b>A new plan default investment option called the SURS Lifetime Income Strategy</b> .....	<b>Page 4</b>
<b>All new diverse investment options</b> .....	<b>Page 6</b>
<b>New online tools to help you keep your financial goals on track</b> .....	<b>Page 9</b>
<b>Key dates</b> .....	<b>Page 10</b>



In order to complete the transition to the new recordkeeper, there will be a blackout period from August 14 to August 31, 2020. During this time, you will have limited access to your account. You will not be able to make changes to your account during this period.

# WELCOME TO YOUR **NEW** PLAN: THE SURS RETIREMENT SAVINGS PLAN

With your retirement security in mind, SURS set out to redesign the Self-Managed Plan. We are excited to introduce your new plan! Starting September 1, the revamped plan will have several new features, including:

- **A new name! SURS Retirement Savings Plan.**

Whether your goal for this retirement plan is to secure lifetime income or build your retirement nest egg—your needs are covered.

- **A new default investment option: the SURS Lifetime Income Strategy.**

The SURS Lifetime Income Strategy is designed to help members meet basic income needs in retirement. It is a flexible, target date portfolio that automatically adjusts as you age. As you near retirement, you have the option to secure guaranteed retirement income that you cannot outlive. You can also maintain access to retiree health insurance (if eligible) without giving up access to your entire account balance, which is an enhancement to current plan offerings.

- **A new simplified best-in-class fund lineup.**

SURS is committed to offering members access to more functional asset classes with high quality, cost effective investment options.

- **New planning and education tools.**

A new interactive planning tool, SURS Retirement Calculator will be available at launch.

- **A new recordkeeper.**

In an effort to lower fees, consolidate investments, improve communication and enhance the overall retirement experience, SURS has moved plan administration to one new recordkeeper—Voya Financial.

This newsletter has been prepared to help you understand these changes. Please read it carefully to learn what to expect during and after the transition. Let's get started!



# THE TRANSITION...MAKING THE MOVE

The transition period will start with a blackout period from August 14 to August 31. During this time, you will have limited access to your account. For more information about the blackout period, see page 10.

## Why is SURS making these changes?

You might be asking, "What is in this for SURS?" That is a good question. Here is the answer. SURS gets no benefit from these changes other than to help you better plan for retirement. SURS is committed to helping members achieve better retirement outcomes. And it is the right thing to do.

We also believe these administration and investment changes will result in the best outcome for the greatest number of members and we hope you will take the time to understand them.

Ultimately the decision of how to save and invest for retirement is up to you. However, these changes are designed to give you the information, tools, and resources to help you make your investment decisions.

A major enhancement to the plan is the addition and designation of the default investment option, the SURS Lifetime Income Strategy. This investment strategy was specifically chosen because it offers members the option of a guaranteed lifetime income stream and the ability to take advantage of the robust benefit of retiree healthcare—all while providing members the control of their account and the flexibility they desire.

On or around September 1, your account balance in the plan will automatically be invested in the new default fund, the SURS Lifetime Income Strategy.

After September 1, new contributions to the plan will also be directed to the SURS Lifetime Income Strategy.

After the transition is complete, you can leave your money in the SURS Lifetime Income Strategy or you can change how your existing account balance and future contributions are invested. To change your investment allocation, your retirement age, or the percentage of income you are securing in the SURS Lifetime Income Strategy, simply log in to your member account at [surs.org](https://surs.org) and click *View/Manage Your RSP Account*.

If you don't make any changes, 100% of your account balance will be on the path to generate guaranteed monthly income in retirement.

To learn more about how the SURS Lifetime Income Strategy could work for you, read on.

Due to investment-related restrictions, account balances in certain investments with the current recordkeepers, Fidelity and TIAA, will not be transferred as part of the transition of assets to Voya. Please check your account information at TIAA and/or Fidelity to review any balances that remain with them. See page 11 for more information.

## Identify Your Goals

Now that you have read about the key changes, think about your goals for this retirement plan. The path to a healthy retirement is not the same for everyone. Some members have other sources of retirement income and savings. It is important to keep your goals in mind when selecting your investments. Which statement best describes your goals?

- ***My main goal for this retirement plan is to meet basic needs in retirement. This includes a guaranteed source of lifetime income and, if I am eligible, access to retiree health insurance.***
  - If this statement is true, you should consider the SURS Lifetime Income Strategy.
- ***I will have other sources of retirement income. Instead, I am looking to use this plan as a vehicle to save additional money for retirement so I can supplement my income or make a significant retirement purchase.***
  - If this statement is true, investing in SURS Core Investment options might be a better fit for you. The LIS can also help meet this goal by deactivating the income feature and using it as a target date portfolio only.

# SURS LIFETIME INCOME STRATEGY— THE NEW DEFAULT

SURS has selected the SURS Lifetime Income Strategy as the default investment option for the plan. This flexible investment option is designed to help members meet their basic needs in retirement. It offers you a place to save and grow your money (even in retirement), through a diverse set of underlying investments, and provides you with an opportunity to generate guaranteed retirement income for life (even in down markets). It also offers members two very important features: an investment vehicle where you control your money and the flexibility to customize it to fit your retirement needs.

## Here's how it works:



### In Your Early Working Years (Age 20-50)

- You choose the age you would like to retire—your money is invested in a professionally managed age-based investment solution.
- The target date portfolio adjusts the investments automatically over time, growing more conservative as you age.



### Closer to Retirement (Approximately Age 50-65)

- The strategy will start protecting your savings by gradually moving your assets into a secure income portfolio (SIP) of stocks and bonds that protects and builds income for your retirement years.
- As you secure your income, targeted communications help you engage to personalize your experience. Customizing your retirement age and other factors show how adjustments can impact your guaranteed income amount. You can then better assess your retirement readiness and adjust your current savings accordingly.



### In Retirement (Approximately Age 65+)

- You receive a monthly benefit that you cannot outlive.
- The portfolio is designed to capture market growth so you benefit from gains in rising markets which allows your withdrawal amounts to increase.
- It preserves your lifetime income if markets should go down or if you live longer than expected—multiple insurance companies continue to pay you for life if your account is depleted.
- You retain control of your money and access to health insurance. You have the flexibility to withdraw assets without penalty—at death, remaining assets go to heirs.



## What makes it flexible?

The SURS Lifetime Income Strategy adds an element of flexibility to the existing plan. Until now, there were two distribution options: convert your entire account balance to a lifetime monthly benefit and retain your right to retiree healthcare (if eligible) or take a lump sum of your entire account balance and give up your right to retiree healthcare benefits. With the SURS Lifetime Income Strategy, you can secure lifetime income and retiree healthcare benefits without giving up access to your entire account balance.

## What is happening with your account at the time of transition?



### In Your Early Working Years (Age 20–50)

#### At transition:

- Your account balance will automatically transfer into the SURS Lifetime Income Strategy.
- Your default retirement age will be set to 65 with the plan to fully secure income at retirement (100%).
- Your money will be invested in a diverse portfolio of stocks, bonds and diversifiers and will adjust as you age.
- Your projected retirement income amount will be available online or from the call center after the transition.

#### What you need to do:

If you decide to keep your money in the SURS Lifetime Income Strategy, you do not need to take any action.



### Closer to Retirement (Approximately Age 50+)

#### At transition:

- Your account balance will automatically transfer into the SURS Lifetime Income Strategy.
- If vested, you will begin securing income on October 1 with a plan for fully secured income (100%) at age 65 (you can change your retirement age and the secure income amount by logging in to your account at surs.org).
- The part of your account that you have elected to move to the secure portfolio (which will become your guaranteed income stream) slowly shifts into an insurance backed portfolio made up of 50% stocks and 50% bonds.
- The guaranteed income accumulates even in down markets.
- Projected retirement income amount is available online or from the Defined Contribution contact center.

**Vested** means that you have attained five years of service credit.

**Securing Income** means the strategy will start protecting your savings by gradually moving your assets into a secure income portfolio (SIP) of stocks and bonds that protects and builds guaranteed lifetime income for your retirement years.

#### What you need to do:

- If you decide to keep all or some of your money in the SURS Lifetime Income Strategy, you have two things to think about as you near age 50: Do you want to secure your retirement income and what age do you think you will retire?
- After September 1, 100% of your account balance will be on the path to generate guaranteed monthly income when you retire (assuming retirement age of 65).
- If you want to retire at age 65 with 100% of your account balance as secured guaranteed income, do nothing.
- If you plan to retire at a different age, you can change that date any time by logging in to your account at surs.org.
- If you want to change the percentage of your account balance that will generate secured income, you can change that at any time. However, your account will automatically start purchasing secure income on October 1 if you take no action prior. Keep in mind that in order to participate in the health insurance program at retirement, at least 50% of your account balance must be converted to secured income.

The SURS Lifetime Income Strategy is an investment option available to anyone in the Retirement Savings Plan. It is designed to help members meet their basic retirement needs by securing guaranteed income. However, if your goal for this plan is not to generate retirement income, the SURS Lifetime Income Strategy can be used as a target date fund without the secure income feature. To deactivate the secure income feature you will need to change the Secure Income Level percentage to zero. To make this or other investment changes, simply log in to your member account at surs.org after September 1.

# NEW CORE INVESTMENT OPTIONS

If you are comfortable with making investing decisions, you can select among the core funds to create your own portfolio. SURS is committed to offering members access to high quality, cost-effective investments, and reviews the plan's investments on an ongoing basis.

The SURS Investment Options Guide sent to you with this newsletter contains important details about the SURS Lifetime Income Strategy, the core investment options and investment fees. Please review the information carefully.



The core investment lineup has been streamlined, consolidating the previous 29 investment options down to 16. This simpler lineup offers a diverse selection of funds and asset classes. The funds also have a naming convention that allows you to easily see their role in a portfolio. For example, the SURS U.S. Core Bond Index Fund invests primarily in U.S. bonds. This makes it easier for you to choose a well-diversified investment mix based on your objectives and asset allocation strategy. Of course it is very important for you to review the fund fact sheets to get the full picture of the role of each fund and the costs, when assembling your portfolio.

Keep in mind that in order to qualify for retiree health insurance you must be receiving lifetime income. You must do the following at retirement:

1. If you have assets in the SURS Lifetime Income Strategy, convert at least 50% of your SURS LIS account balance to secure income.
2. If you have assets in the core funds (or in any funds remaining at TIAA), annuitize 100% of those assets or move them to the SURS LIS to be used in the SURS LIS calculation.

A combination of 1 and 2 is also permitted. You may convert at least 50% of your SURS LIS account balance to secure income and purchase an annuity with 100% of your assets that are invested in the SURS core funds.

If you do not have the time, interest or experience to build and manage your own portfolio, you can simply stay with the default option. The SURS Lifetime Income Strategy provides you with a professionally managed, diversified investment portfolio that adjusts as you age, and guaranteed retirement income when you retire—all while allowing you to maintain control of your money and receive retiree healthcare benefits, if eligible.

You should carefully read and review all investment information prior to making any investment decisions.

## Inside the Funds

The new core investment lineup has been thoughtfully constructed to provide members diversified options across several investment factors such as asset class, management style, market capitalization and country exposure. Although the investments have been consolidated, complementary investments were added to provide broader diversification.

The new offerings in the bond category include the SURS Multi-Sector Bond Fund and SURS High Yield Bond Fund which provide diversification within fixed income and can help enhance yield potential. The equity offerings are complementary both in management style and region exposure including the addition of the SURS Non-U.S. Value Equity Fund.

For members interested in investments that meet both your financial needs and your social and environmental impact goals, the SURS U.S. ESG Core Bond Fund and SURS Global ESG Equity Fund have also been added.

## The Core Investments Lineup

You may choose among funds in the major asset classes, from conservative to aggressive investment risk. The funds' investment objectives, strategies and potential risks and returns vary.

You should carefully review and compare the investing objectives, strategies and fees in the fund fact sheets before making any investment decisions.

### Should I invest in the Core Funds?

Read more if you:

- Have your retirement income needs met elsewhere.
- Are able to monitor and rebalance your portfolio at least once per year.
- Want control to build your own investment portfolio.

Asset Class	Fund Name	Expense Ratio
<b>Default Investment Option</b>	SURS Lifetime Income Strategy	0.09–1.18%*
<b>Core Fund Lineup</b>		
<b>Stability of Principal</b>	SURS Fixed Account	N/A
<b>Bonds</b>	SURS U.S. Core Bond Index Fund	0.02%
	SURS U.S. Inflation Protected Bond Fund	0.10%
	SURS Multi-Sector Bond Fund	1.05%
	SURS High Yield Bond Fund	0.40%
	SURS U.S. ESG Core Bond Fund	0.37%
<b>Large Cap</b>	SURS U.S. Large Cap Equity Index Fund	0.01%
<b>Small/Mid/Specialty</b>	SURS U.S. Small-Mid Cap Equity Index Fund	0.02%
	SURS U.S. Small-Mid Cap Value Equity Fund	0.96%
	SURS U.S. Small-Mid Cap Growth Equity Fund	0.80%
	SURS U.S. REIT Index Fund	0.12%
<b>Global/International</b>	SURS Global ESG Equity Fund	0.09%
	SURS Non-U.S. Equity Index Fund	0.05%
	SURS Non-U.S. Value Equity Fund	0.58%
	SURS Non-U.S. Growth Equity Fund	0.32%

\*During the member's early working years, only investment management and administrative fees apply (approximately 0.09%). Later, when the member begins transferring assets to the Secure Income Portfolio, the portion of the assets in the Secure Income Portfolio will also be assessed a fee to cover the insurance cost of "securing the income."



## Changes to How Fees are Assessed and Other Fee Information

When making decisions about your account, it is important to understand what you are paying for in terms of the fees associated with the plan's services and investments.

### Plan administrative fees

The SURS Retirement Savings Plan charges an annual administrative fee to cover services such as recordkeeping and participant services. Effective September 1, the annual administration fee will be assessed as a fixed dollar amount totaling \$30.00 per year. The fee will be assessed to your account on a quarterly basis (\$7.50/quarter) and will be displayed on each quarterly statement you receive.

**Please note:** Recordkeeping and administrative fees are being collected today with TIAA as a percentage of your account balance. Assessing fees in a fixed dollar amount serves to increase the transparency of the fees you pay. Due to this change in fee structure, all members will see a reduction in fees.

### Investment management fees

In addition to recordkeeping fees, each investment option has a fee for investment management and associated services. It is important to note that this fee structure is currently in place and it isn't new to the SURS Retirement Savings Plan. Plan participants generally pay for these costs through what is called an expense ratio. Expense ratios are displayed as a percentage of assets. For example, if you invest in a fund with a 0.50% expense ratio, you will pay \$5 per year for every \$1,000 invested. The expense ratio is deducted from an investment option's return. The expense ratios are listed in the chart on page 7.

### How to make investment changes

You are always in control of how you want your account to be invested. To manage your investment elections, log in to your member account at [surs.org](https://surs.org) and click on *View/Manage Your RSP Account* then click *Account — Manage Investments*. From there, you can view and execute changes, such as changing how your current investments and future contributions are invested and rebalancing your account across all eligible investment funds.

## COMING SOON: A NEW WAY TO SAVE

SURS is excited to announce that a new supplemental defined contribution plan will be available soon.

The new plan, called the SURS Deferred Compensation Plan (DCP), will provide members an avenue to save more and generate additional income in retirement. Not all SURS members can participate in the DCP. For example, the university and athletic foundation employers will not be able to participate. Most active SURS members employed by a state university, community college, or other governmental entity will be able to participate. The DCP will be made available in September to eligible SURS employers, who must adopt the plan before members may begin participation. All eligible employers are required to adopt the SURS Deferred Compensation Plan before June 30, 2021. Educational information on the plan will be sent to members later this summer.



### Want to learn more about your Retirement Savings Plan?

For more information, including a schedule of upcoming meetings, please go to page 12 for a list of meetings and registration information.

# NEW RETIREMENT READINESS RESOURCES TO SUPPORT YOU

The plan will offer you a wealth of planning and educational tools to help you stay on track with your goals whenever you log in to your account.

## Retirement Calculator

The Retirement Calculator is an educational, interactive online experience that shows you how your current retirement savings may translate into monthly retirement income. It shows you where you stand today, highlights areas that need improvement, and lets you take immediate action to improve your readiness.

For the mobile app or the SURS Defined Contribution Contact Center, you'll need to use your Voya-issued PIN, which you should receive in the mail at your home address after August 26. If you need to request a new PIN, go to [surs.org](http://surs.org) or call 800-613-9543.

## Voya Retire mobile app

The Voya Retire mobile app is a fast and easy way to access your retirement account, manage your savings and evaluate whether you are on track toward reaching your goals—on the go! Search **Voya Retire** in your favorite app store.<sup>1</sup>

<sup>1</sup>Includes iPhone®, trademark of Apple Inc., registered in the United States and other countries. App Store is a service mark of Apple Inc. Android is a trademark of Google Inc. Amazon and Kindle are trademarks of Amazon.com, Inc. or its affiliates.

**IMPORTANT:** The illustrations or other information generated by the calculators are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results. This information does not serve, either directly or indirectly, as legal, financial or tax advice and you should always consult a qualified professional legal, financial and/or tax advisor when making decisions related to your individual tax situation.

## Access to your account

You can manage your account information and make transactions 24/7.

 **Retirement Savings Plan website:** [surs.org](http://surs.org)

Go to the SURS Member Website Login and click *View/Manage Your RSP Account*.

 **SURS Defined Contribution Contact Center:** 800-613-9543; TDD: 800-579-5708

Follow the prompts to check account information or make transactions. If you have questions or need assistance, you can speak with a Customer Service Associate weekdays from 7 a.m. to 7 p.m., Central Time (CT), excluding stock market holidays.

## Resources to help you

You can learn the basics and sharpen your financial planning and investing skills by taking advantage of these resources.

### Informational sessions

During the summer months, SURS local account representatives will be conducting informational webinars in order to provide assistance during the transition period.

Throughout the year, if the situation allows, representatives will be available to meet with members at work locations throughout the state of Illinois. Virtual and phone sessions will always be an option as well. Representatives will be equipped to explain the SURS Lifetime Income Strategy and SURS core investment options as well as answer your questions. They can also offer assistance with enrolling in the new SURS Deferred Compensation Plan.

For more information, including a schedule of upcoming webinars, go to page 12. You can also check with your Human Resource or Benefits office, or go to [surs.org/rsp](http://surs.org/rsp).

# KEY DATES

Your account will automatically transfer to Voya. Please be aware of what to expect on these key dates.

Key Dates	What's Happening?
<b>June 29, 2020</b>	The new SURS Defined Contribution Contact Center opens so you can ask general questions. Call weekdays, excluding stock market holidays, from 7 a.m. to 7 p.m., Central Time (CT), 800-613-9543. TDD: 800-579-5708.
<b>Until 2:59 p.m. CT Aug. 14, 2020</b>	You can continue to access your plan account through Fidelity netbenefits at <a href="http://nb.fidelity.com/public/nb/surs/home">nb.fidelity.com/public/nb/surs/home</a> . You will have access to your historical data at Fidelity for the next two years.
<b>3:00 p.m. CT Aug. 14, 2020</b>	Blackout period begins. Account access is restricted as plan accounts begin to transition to Voya.
<b>Sept. 1, 2020</b>	The SURS Retirement Savings Plan goes live! You can resume full access and make changes to your SURS Retirement Savings Plan account through: <ul style="list-style-type: none"><li>• The Member Website at <a href="http://surs.org">surs.org</a></li><li>• The SURS Defined Contribution Contact Center at 800-613-9543. TDD: 800-579-5708.</li></ul>
<b>Oct. 1, 2020</b>	Members who are at least 50 years of age and vested, and have selected or defaulted to the Lifetime Income Strategy will begin securing lifetime income. A member will start securing income approximately 15 years prior to their target retirement age. Younger members who select a target retirement age of less than 65 will also begin securing income on October 1st.

## Find Out More

Informational webinars will be held to explain the plan's new features and the transition. See the schedule at [surs.org/rsp](http://surs.org/rsp).



## Blackout Period Notice

In order to complete the recordkeeping transition to Voya, there will be a blackout period in which you will have limited access to your account. Please read this notice in its entirety for details.

**The blackout period will start at 3 p.m. CT on August 14, 2020, and end on or around September 1, 2020.** It is important to note that your assets will not be invested in the market during a portion of this blackout period. Once the blackout period has concluded, you will have full access to your account through the SURS plan website at [surs.org](http://surs.org).

**IMPORTANT:** During the blackout period you will be unable to direct or diversify the assets held in your SURS Retirement Savings Plan account. For this reason, it is very important that you review and consider the appropriateness of your current investments.

## Restricted Assets

Existing account balances in the Fidelity Managed Income Portfolio Class 2 will remain as currently invested with Fidelity, but will be closed to new contributions. On or around November 2, these assets will be automatically transferred to the SURS Lifetime Income Strategy.

Existing account balances in some TIAA accounts under the individually-controlled Group Annuity (GRA) contracts will remain as currently invested with TIAA, but will be closed to new contributions. These assets will not be automatically transferred.

Existing account balances in TIAA Traditional contracts will remain as currently invested with TIAA. An annuity option with TIAA will be available for members holding assets in these accounts.



You are invited to attend a session to learn more about the Retirement Savings Plan. Sign up at [surs.org/rsp](https://surs.org/rsp).

Day	Date	Session Times
Wed	July 8	6 p.m.
Thurs	July 9	9 a.m. & 1 p.m.
Mon	July 13	9 a.m. & 1 p.m.
Tues	July 14	12 p.m. & 6 p.m.
Wed	July 15	9 a.m. & 1 p.m.
Thurs	July 16	9 a.m. & 1 p.m.
Mon	July 20	12 p.m. & 6 p.m.
Tues	July 21	9 a.m. & 1 p.m.
Wed	July 22	9 a.m. & 1 p.m.
Thurs	July 23	12 p.m. & 6 p.m.
Mon	July 27	9 a.m. & 1 p.m.
Tues	July 28	9 a.m. & 1 p.m.
Wed	July 29	9 a.m. & 1 p.m.
Thurs	July 30	9 a.m. & 1 p.m.



*Your Road to a Healthy Retirement*

3059527.B.P

SURS Retirement Savings Plan Transition Newsletter

July 2020

Plan administration services provided by Voya Institutional Plan Services, LLC. Information from registered Plan Service Representatives is for educational purposes only and is not legal, tax or investment advice. Local Plan Service Representatives are registered representatives of Voya Financial Advisors, Inc. (member SIPC)

CN1200859\_0621