Important Changes to the HCPSS 403(b) Benefit

For the past two years the HCPSS Benefits Team, with the support and advisement of our Benefits Consultant, Gallagher, and the Benefits Advisory Committee (BAC), has completed a deep-dive analysis of our current 403(b) program. This analysis included a review of our 403(b) vendors, their associated fees, the services they offer our employees, and overall compliance with IRS regulations.

As a result of this review, HCPSS has made some changes to the HCPSS 403(b) program with the goal of reducing costs for employees and providing more oversight of the fund investments to ensure that HCPSS employee and retiree contributions are responsibly invested.

What changes are being made?

The first change was to negotiate lower administrative fees with as many of our vendors as possible. Six of our eight vendors were willing to negotiate the fees for HCPSS participants. Administrative fees are fees that the 403(b) vendors charge for their services. HCPSS does not charge a fee for participating in the 403(b) program. The newly negotiated administrative fees for each vendor are shown below:

Vendor	Negotiated Administration Fee	When does this change go into effect?
Corebridge (formerly Valic/AIG)	0.40%	11/15/2024
TIAA	0.17%	1/10/2025
Fidelity	0.155%	1/28/2025
Horace Mann	1.25% - No change to prior fee	N/A
Equitable	0.55% plus $25 participant annually	Expected 3/1/2025
MetLife	0.50%	Expected 3/1/2025
Voya	0.40%	Expected 3/27/2025
Plan Member	No change to prior fee. Administrative fees vary based on the selected product: Participant Choice -0.35% + $50 per year Retirement Select – 0.50% Elite - 1.60%	N/A

The second change was to move all vendors that were still on an annuity platform to a mutual funds' platform. This will help modernize our investment line-up with each of the vendors, streamline the investment options so there are fewer choices, and remove proprietary investment requirements. The investment options are being rolled out across all our vendor platforms, and have been reduced to around 20 options, which is more in line with industry benchmarks. HCPSS, along with our Benefits Consultant, Gallagher, will continue to monitor the performance of these investment options for expenses, returns, risk, and volatility.

In the upcoming months, HCPSS will be forming an Investment Committee made up of employees across the school system. The Investment Committee will meet quarterly and will take over the responsibility of monitoring the performance of our investment line-ups and making recommendations for change when appropriate. The HCPSS Benefits Office will share more information soon for employees interested in serving on this committee.

What does this mean for my investments?

There will be no changes made to your current 403(b) contributions unless you make those changes in Workday. There is no action that you need to take to enroll in the new mutual funds line up. Some vendors have already migrated to the new platform, some are in progress, and some will be migrating over the next month. All migrations are set to be complete by the end of March. A timeline for completion for each vendor is shown below:

Vendor	**When will mutual fund migration be completed?**
Corebridge (formerly Valic/AIG)	11/15/2024
TIAA	1/10/2025
Fidelity	1/28/2025
Horace Mann	1/31/2025
Equitable	3/1/2025
MetLife	3/1/2025
Voya	3/27/2025
Plan Member	TBD

Every employee and retiree who has an HCPSS 403(b) account, regardless of whether they are currently contributing or not, will receive communication by mail from their selected 403(b) vendor about this process prior to changes taking effect.

What should I do if I have more questions?

Please reach out to the Benefits office by email at Benefits@hcpss.org with your questions. We will follow up by email and compile a list of Frequently Asked Questions about this process that we will post on the Benefits website, and in a future StaffHub post.

The HCPSS' Benefits Office is excited about these changes which will ultimately save employees and retirees more money in their retirement.