

## **FREQUENTLY ASKED QUESTIONS—RETIREMENT PLAN ADVICE SERVICES**

1. *Is the representative I am going to work with affiliated with Furman?*

No. The investment advice is provided by TIAA's representatives using tools provided by TIAA. Furman does not pay the representatives or TIAA separately for furnishing investment advice. The Furman University Retirement Plan Committee periodically evaluates TIAA's services, including its investment advice services.

2. *What sort of advice will the representative offer? Will my advice session cost me anything?*

TIAA's representatives can offer you advice on a variety of topics. Their advice might include topics such as:

- How much you should contribute to the 403(b) plan;
- Whether you are on track to reach your retirement savings goals;
- How you can meet your income needs in retirement;
- How to allocate your contributions among the plan's investments;
- Your distribution options from the plan, including payments, transfers, or rollovers;
- Whether you should roll over your account at termination of employment;
- Holistic financial planning; or
- Additional topics, such as estate, gift, and charitable planning, stock options, investment management, investment reviews, executive compensation and benefits, and life insurance.

TIAA and its affiliates do not provide tax or legal advice. If you have tax or legal questions, you should consult your tax advisor or attorney.

The cost of your advice session is included in the fees TIAA charges to the 403(b) plan. However, TIAA may offer you services for an additional fee or tell you about products or services available outside the 403(b) plan. You would be responsible for any fees related to these products or services. For example, TIAA Managed Accounts have account fees that pay for investment management professionals to manage asset allocations, investment selection and review, and rebalancing.

Furman has not evaluated any products or services available outside the 403(b) plan (including those products and services listed in the bullets above) and you are not obligated to use or purchase any of these products or services.

3. *How will the representative decide what advice to offer to me?*

We understand that TIAA provides advice to participants using advice tools developed by Morningstar, a third-party registered investment advisor. This means that TIAA's representatives will collect data from you and input that data into Morningstar's model. Morningstar's model will then provide a recommended action plan, which the TIAA representative will explain to you.

4. *How are representatives paid?*

We understand, based on responses provided by TIAA to Furman's questions, that:

- TIAA pays its financial representatives through a compensation program, which includes a salary and an annual variable bonus. We also understand that the bonus creates incentives for asset growth and retention in TIAA products and services, including successful referrals to other TIAA client facing areas. Compensation for financial representatives generally does not differentiate among the types of TIAA products and services.
- TIAA pays its Advisors, who serve clients with greater assets or more complex financial planning needs, through a compensation program, which includes a salary and an annual variable bonus. The bonus takes into account the time and complexity of the work required of the Advisor. Advisors have an incentive for asset growth and retention in TIAA products and services and to recommend managed accounts and other solutions that are designed for complex financial needs. To address these conflicts of interest, TIAA provides disclosure and puts its recommendations through a central review process designed to put the client's interest first. TIAA Advisors are not compensated based on whether a client invests in proprietary funds, nor are they compensated for making fund-specific recommendations.

5. *How do my investment decisions impact how TIAA is paid?*

The investment options and accounts you select may impact the income of TIAA and its affiliates. TIAA operates for-profit subsidiaries that are paid based on the amount of money invested in TIAA products and services. In all cases, we strongly recommend that you carefully review and understand the fees associated with the investment products and services recommended by a representative before you implement the advice you receive. We understand, based on information provided to Furman by TIAA, that CREF accounts operate on an "at-cost" basis.

6. *How do my investment decisions affect the fees I pay?*

Each of the investments offered under the plan has different fees associated with it. Depending on which investments you choose, you may pay higher or lower fees. You can find more information about the fees associated with each investment option by downloading the most recent Quarterly Investment Update available at [www.tiaa.org/furman](http://www.tiaa.org/furman).

The cumulative effect of fees and expenses can substantially reduce the growth of your retirement savings. Visit the Department of Labor's website for an example showing the long-term effects of fees and expenses at <https://www.dol.gov/agencies/ebsa/about-ebsa/our-activities/resource-center/publications/understanding-your-retirement-plan-fees>. Fees and expenses are only one of many factors to consider when you decide to invest in an investment option. You may also want to think about whether an investment in a particular option, along with your other investments, will help you achieve your financial goals.

*7. What responsibility do representatives have for the advice they give me?*

TIAA has represented to Furman that it accepts fiduciary responsibility for the advice it provides to participants on fund-level recommendations on the 403(b) plan's investment options, including sourcing the investment recommendations from Morningstar, an independent third party. This means, among other things, that TIAA is obligated to offer advice that is in your best interest. TIAA is also obligated not to make any material misrepresentations to you, and to receive only reasonable compensation. This also means that the TIAA representative should be willing to answer any questions you may have, including questions about their compensation, plan fees, and any conflicts of interest.

*8. Do I have other options for investment advice?*

Yes. TIAA offers a service called the TIAA Retirement Advisor online that offers asset allocation guidance and investment recommendations from the investment menu available in the 403(b) plan. You are also free at any time to seek advice from another financial advisor. You will be responsible for any fees incurred in connection with that advice.

*9. Who do I contact if I have concerns or questions about the information I receive from a TIAA representative?*

If you don't understand the advice or guidance you receive from a TIAA representative, be sure to ask questions. Similarly, notify the TIAA representative if there is a significant change in your investment objectives or personal circumstances.

Please contact Julie Birello with any additional concerns or questions at (864) 294-3010 or [julie.birello@furman.edu](mailto:julie.birello@furman.edu).