

UC Retirement Plan Information Things To Consider When Selecting An ARP Vendor

Stability and Experience

You will want to entrust your retirement funds to an organization with the stability and experience to protect your investment. Evaluate each Retirement Plan Provider by reading through plan materials and annual reports.

Retirement Funds

Look at each fund that is offered by the vendor. Examine the fund's prospectus (a detailed document that describes investment objectives and strategies) and other materials. Consider the following:

- ❖ the type of investments in the fund's portfolio.
- ❖ the fund's statement of objectives, including the types of investments the fund will make and the risks that it may take to achieve its investment goals.
- ❖ fund performance over the past one, five, and 10-year periods (compare periods by accounting for expenses and fees that affect performance).

Range of Investments

Diversifying, or spreading your portfolio over a range of investments, may be one of the best strategies for reducing risk. Spreading your investments over different asset classes can give you the mix of safety and growth that is right for you.

Expenses and Fees

All financial providers have expense charges that allow the companies to operate and provide various services. (Fees and amounts vary per provider.) These fees may be deducted from your individual account monthly, quarterly, or annually. Expenses have a direct effect on your account accumulation— the higher the expenses, the higher the fund's return has to be to make up for these expenses. Compare each ARP provider's fee loads and expenses before you make your selection. You also may want to inquire whether surrender charges apply if you change your ARP provider and transfer all or a portion of your account balance.

Retirement Income Options

You should look for an ARP provider that provides a wide variety of payment options, so that when you retire, you will be able to choose a payment method(s) that meets your needs. Some issues to consider when choosing your payment method are how long you will need to draw income, your other assets, and whether you wish to leave assets to your dependents.

Service commitment

You will want to consider an ARP provider committed to assisting you both during your working years and after you retire. Your ARP provider should offer services that are pertinent to you, such as long-term financial planning, newsletters and other services.

Consult with your Financial Advisor

Take the opportunity to seek input from a financial advisor to navigate the investment options available under the Alternative Retirement Plan.

This document is intended to be used only as a guide to ask pertinent questions to determine which plan provider offers the services and products that most closely fits with the employees' financial goals. This information does not replace the advice of a Financial Advisor.



Choose Well

Questions?

Please contact Benefits@uc.edu.

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