



UK Retirement Plan Registered Investment Advisor (RIA) Fee Cap Proposal

University Senate
November 30, 2015





Proposed Cap on Registered Investment Advisor (RIA) Fees

- RIA fees typically average 1%-1.5%.
 - Based on account balance.
- RIA fees would be capped at 1% annually (measured quarterly) for fees deducted from participant retirement accounts.

RIA Fee Cap

- Fidelity & TIAA-CREF portfolio advisor fees are .5%
 - You don't have to use their advisory service. You can meet with them for free.
- Participants can pay RIAs directly for any amount charged in excess of 1%.



Current Utilization

- Fidelity
 - 866 participants have advisors
- TIAA-CREF
 - 821 participants have advisors

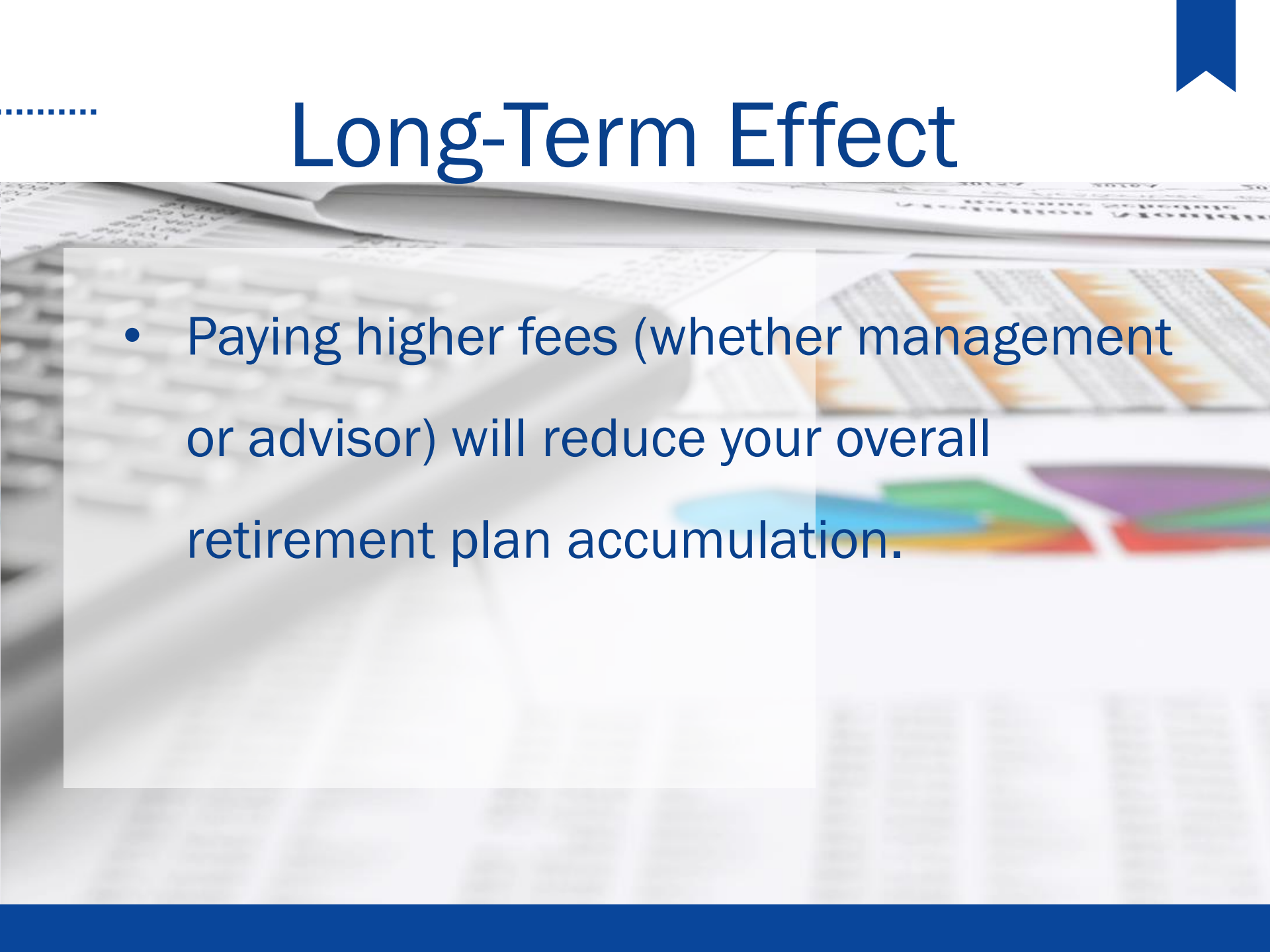


Need for Change

- Prior to allowing fee deduction, participants paid advisors with after-tax funds.
- Automatic deductions are easy and tax efficient, but take the focus off the actual cost (similar to using a credit card).



Long-Term Effect

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- Paying higher fees (whether management or advisor) will reduce your overall retirement plan accumulation.

Questions?

