



McPherson
COLLEGE

February 25, 2015

Dear McPherson College **Lincoln Financial Group** Retirement Account Holder:

McPherson College is making important enhancements to the McPherson Retirement Plan to meet new compliance regulations, keep plan costs competitive and provide the investment choices and services you need to help pursue your savings goals.

The regulatory changes require us to rethink how we administer our retirement program. At the same time, we have an opportunity to make some improvements that will benefit our participants, and strengthen one of our most important employee benefits. In 2014, the Board of Directors approved the formation of a McPherson College Employee Retirement Plan Committee, which is charged with overseeing the administration of the plan. We have engaged the services of Mariner Retirement Advisors to assist our committee with general plan oversight, advising on the investment fund menu and providing investment education and guidance to our employees. Mariner (MRA) is based in Leawood, Kansas and provides retirement plan services to many organizations in Kansas, the Midwest and across the United States. They have a specialty practice working with Higher Education plans like ours.

On March 11-13, 2015, you will be provided education on the transition by:

- **March 11 – group meetings held at 9am, noon, and 2pm in Mingenback Theatre and 4pm in Miller #105 and**
- **March 11, 12, 13 and 23 - Individual one-on-one meetings, scheduled by your department head, with a Mariner or TIAA-CREFF representative in Friendship Hall.**

Additional information – a summary and plan investment menu - is attached for your review.

McPherson College is committed to providing the resources you need to plan for the future you deserve. We are excited about the coming changes and hope the expanded investment menu provides you with more options to better suit your future financial needs.

We also recognize that change of this sort can create many questions. Our TIAA-CREF and Mariner representatives have substantial experience with these retirement plan transitions. They are a resource for all of us to make sense of how these changes individually affect us. During the employee meetings, you are encouraged to ask questions and share any concerns you may have. Additionally, you may always contact TIAA-CREF at 800 842-2252. Consultants are available Monday through Friday, 8 a.m. – 10 p.m. and Saturday, 9 a.m. – 6 p.m. (ET).

Please do not hesitate to contact me if you have any question regarding these changes.

Thank you for your service to McPherson College.

Sincerely,

Rick Tuxhorn, CPA, CGMA
Vice President for Finance
McPherson College

Attachments

scholarship · participation · service



Attachment One

Summary of Plan Enhancements

- TIAA-CREF has been selected as the sole retirement provider to the McPherson College Defined Contribution Retirement Plan (Herein referred to as the "McPherson Retirement Plan").
- TIAA-CREF will provide all services for the plan. Starting March 1st, Lincoln Financial Group (LFG) will no longer be an active provider for the retirement plan. Your current assets will remain at Lincoln Financial Group unless you choose to transfer them to the new investment menu.
- If you are currently contributing to LFG, you must enroll in the new TIAA-CREF Retirement Choice (RC) contract any time after March 6th 2015. If you do not enroll on your own by March 31st, 2015, you will be automatically enrolled in the new account at TIAA-CREF. Your future contributions will be directed to the age appropriate TIAA-CREF Lifecycle Index Target Date fund on the new enhanced investment menu. You will be able to redirect your investments to the other new fund choices once your account has been established. *Your assets in the LFG accounts will remain in those accounts unless you choose to transfer them to the new RC account by completing an account transfer form.
- Enhanced investment menu. To enhance the plan's investment options, we are offering a wide array of new funds with historically strong performance. (As a disclaimer, past performance does not guarantee future results.) These new fund choices will give you more opportunities to diversify your portfolio. The new options are listed on page 4. The McPherson College Retirement Plan Committee will periodically review the performance of the funds on the investment menu.
- New Roth Style Contributions – Beginning with the payroll periods after March 1st, 2015, your voluntary contributions can now be made with after-tax Roth dollars. A new salary reduction agreement is required in order to take advantage of this option.

What remains the same?

Contribution rates and eligibility requirements remain the same. Please review the McPherson College Retirement Plan Summary Plan Description (SPD) for information regarding your retirement plan benefits.

What if I need help?

To help meet the challenges of increasingly complex regulation and effective retirement plan oversight, McPherson College has engaged Mariner Retirement Advisors as a consultant to the 403(b) retirement plan. Mariner Retirement Advisors will be on hand to assist employees with enrollment in the plan and provide enhanced employee education.

Understanding Plan Expenses

Fees and expenses have always been part of the McPherson College Retirement Plan. Consolidating the retirement plan to TIAA-CREF allows McPherson College to streamline plan administration, provide more services to plan participants and offer a wide array of lower cost professionally managed funds to help you achieve your retirement savings goals. Lower cost share classes will help you put more money to work for your retirement savings goals.

Beginning March 31st 2015 and at the end of each quarter thereafter, there will be an annual participant servicing fee. This amount will be divided into four quarterly payments and deducted from your balances in Retirement Choice accounts¹. A portion of the annual participation servicing fee is paid to Mariner Retirement Advisors and equals .25%. In addition to the annual participation fee, a temporary Mariner advisory fee of \$15 per person per quarter will be paid by McPherson College to help ease the transition. Please see the new investment lineup chart on page 4 for the fees specific to each investment.

Please note that if you transfer into or out of these investment accounts during the quarter, your fee will be prorated to reflect the number of days you were actually invested in the investment account(s) during that period.

Transitioning to the New Investment Menu

Beginning on March 6th, 2015, enroll with TIAA-CREF, choose your investment allocations and update your beneficiary information by visiting www.tiaa-cref.org/McPherson. Click on Enroll Now to get started. You may also visit the other links on the site to view your investment choices and learn about retirement saving.

If you do not enroll by March 31st, 2015, you will be automatically enrolled in a new TIAA-CREF Retirement Choice account and you will receive a TIAA-CREF Welcome letter that includes your new account number. Your beneficiary will automatically be set to "Estate" and your future contributions will be invested in the plan's default investment option, the TIAA-CREF Lifecycle Index Target Date fund that corresponds to the year you turn age 65.

Your existing assets at Lincoln Financial Group will remain unless you choose to transfer them. Please contact TIAA-CREF or Mariner Retirement Advisors if you wish to transfer your plan balances to the new investment menu.

Steps to take during the transition

1. **Carefully review the enhanced fund menu** (see Attachment Two). The new array of investment options allow you to:
 - Create a retirement portfolio tailored to your investment preferences, goals and risk tolerance.
 - Choose a simple solution — select a lifecycle index target date fund that automatically handles all investment decisions for you. As with all mutual funds, the principal value in a target date fund is not guaranteed. Also, please note that the target date is an approximate date when investors may plan to begin withdrawing from the fund.

2. **Attend an Education Seminar.**

There will be several meetings to choose from on **March 11, 2015**:

9:00am (Mingenback Theatre)

12:00pm (Mingenback Theatre)

2:00pm (Mingenback Theatre)

4:00pm (Miller #105)

The seminars will provide an overview of the new investment menu, key dates and actions that must be taken, disclosure of fees, and an opportunity to have your questions answered.

3. **During March 11, 12, 13 and 23, 2015, individual one-on-one employee meetings will be held in Friendship Hall.** In addition to the March 11 seminar, you will schedule a one-on-one session through your department head.

(Note: All employees who are eligible to participate in the plan will be scheduled to attend a one-on-one meeting)

4. **Decide if lifecycle index target date funds are right for you.** As of March 31st, 2015, your future contributions will be directed to the TIAA-CREF Lifecycle Target Date fund that corresponds to the year you turn 65 unless you opt out and re-allocate future contributions to another investment option in the new RC contract. If you choose to opt out of the age-based TIAA-CREF Lifecycle Index Target Date fund, you must take action and change your future contribution allocations on your new RC contract by March 31st, 2015:
- On or after March 6th, 2015 visit www.tiaa-cref.org/McPherson and follow the instructions to login to your account and update your future contribution allocations. You may also call TIAA-CREF at **800 842-2252**, Monday through Friday, 7 a.m. to 9 p.m. (CT) or Saturday 8 a.m. to 5 p.m. (CT) to make changes over the phone. You will need the following information:
 - Your TIAA-CREF Contract Number(s) or current login information.
 - Investment choices and allocation percentages based on the new investment menu for your future contributions.
 - Your Social Security Number.

Attachment 2

McPherson College Investment Menu, March, 2014*

Stocks								
Ticker	Investment	Category	Gross Fund Expense Ratio	Less Fund Rev Sharing	Net Fund Expense	Advisor Fee	TIAA Account Service Fee	Total Annual Exp
Annuity	CREF Stock Account	Large Cap Blend	0.66%	0.35%	0.31%	0.25%	0.41%	0.97%
VFIAX	Vanguard 500 Index Admiral	Large Cap Blend (Index)	0.05%	0.00%	0.05%	0.25%	0.41%	0.71%
ICSEFX	Invesco Comstock R6	Large Cap Value	0.41%	0.00%	0.41%	0.25%	0.41%	1.07%
MFEJX	MFS Growth R4	Large Cap Growth	0.76%	0.15%	0.61%	0.25%	0.41%	1.27%
VIMAX	Vanguard Mid Cap Index Admiral	Mid Cap Blend (Index)	0.09%	0.00%	0.09%	0.25%	0.41%	0.75%
VEVIX	Victory Established Value I	Mid Cap Value	0.68%	0.10%	0.58%	0.25%	0.41%	1.24%
IYMIX	Ity Mid Cap Growth I	Mid Cap Growth	0.99%	0.10%	0.89%	0.25%	0.41%	1.55%
VSMAX	Vanguard Small Cap Index Admiral	Small Cap Blend (Index)	0.09%	0.00%	0.09%	0.25%	0.41%	0.75%
GSSIX	Goldman Sachs Small Cap Value Institutional	Small Cap Value	0.98%	0.10%	0.88%	0.25%	0.41%	1.54%
WAAEX	Wasatch Small Cap Growth	Small Cap Growth	1.24%	0.30%	0.94%	0.25%	0.41%	1.60%
VIIAX	Vanguard Total Intl Stock Index Admiral	International Multi (Index)	0.18%	0.00%	0.18%	0.25%	0.41%	0.84%
REGX	American Funds EuroPacific Growth R6	International Blend	0.49%	0.00%	0.49%	0.25%	0.41%	1.15%
DFCEX	DFA Emerging Markets Core Equity I	Emerging Mkts Stock	0.63%	0.00%	0.63%	0.25%	0.41%	1.29%

Fixed Income (Bonds)								
Ticker	Investment	Category	Gross Fund Expense Ratio	Less Fund Rev Sharing	Net Fund Expense	Advisor Fee	TIAA Account Service Fee	Total Annual Exp
DIPSX	DFA Inflation-Protected Securities I	Inflation Protected	0.12%	0.00%	0.12%	0.25%	0.41%	0.78%
PTROX	Prudential Total Return Bond Q	Intermediate Term Bond	0.46%	0.00%	0.46%	0.25%	0.41%	1.12%
FBNRX	Templeton Global Bond R6	Global Bond	0.53%	0.00%	0.53%	0.25%	0.41%	1.19%

Guaranteed								
Ticker	Investment	Category	Gross Fund Expense Ratio	Less Fund Rev Sharing	Net Fund Expense	Advisor Fee	TIAA Account Service Fee	Total Annual Exp
Annuity	TIAA Stable Value Account**	Retirement Annuity	0.40%	0.00%	0.40%	0.25%	0.41%	1.06%
Annuity	TIAA Traditional Account***	Retirement Annuity	0.55%	0.15%	0.40%	0.25%	0.41%	1.06%

Multi-Asset								
Ticker	Investment	Category	Gross Fund Expense Ratio	Less Fund Rev Sharing	Net Fund Expense	Advisor Fee	TIAA Account Service Fee	Total Annual Exp
TLIX	TIAA-CREF Lifecycle Index 2010 Institutional	Target Date Portfolios	0.15%	0.00%	0.15%	0.25%	0.41%	0.81%
TLFIX	TIAA-CREF Lifecycle Index 2015 Institutional	Target Date Portfolios	0.15%	0.00%	0.15%	0.25%	0.41%	0.81%
TLWIX	TIAA-CREF Lifecycle Index 2020 Institutional	Target Date Portfolios	0.15%	0.00%	0.15%	0.25%	0.41%	0.81%
TLQIX	TIAA-CREF Lifecycle Index 2025 Institutional	Target Date Portfolios	0.15%	0.00%	0.15%	0.25%	0.41%	0.81%
TLHIX	TIAA-CREF Lifecycle Index 2030 Institutional	Target Date Portfolios	0.15%	0.00%	0.15%	0.25%	0.41%	0.81%
TLYIX	TIAA-CREF Lifecycle Index 2035 Institutional	Target Date Portfolios	0.15%	0.00%	0.15%	0.25%	0.41%	0.81%
TLZIX	TIAA-CREF Lifecycle Index 2040 Institutional	Target Date Portfolios	0.15%	0.00%	0.15%	0.25%	0.41%	0.81%
TLXIX	TIAA-CREF Lifecycle Index 2045 Institutional	Target Date Portfolios	0.15%	0.00%	0.15%	0.25%	0.41%	0.81%
TLIIX	TIAA-CREF Lifecycle Index 2050 Institutional	Target Date Portfolios	0.15%	0.00%	0.15%	0.25%	0.41%	0.81%
TLIIX	TIAA-CREF Lifecycle Index 2055 Institutional	Target Date Portfolios	0.15%	0.00%	0.15%	0.25%	0.41%	0.81%
TRILX	TIAA-CREF Lifecycle Index Retirement Income	Target Date Portfolios	0.15%	0.00%	0.15%	0.25%	0.41%	0.81%

Specialty								
Ticker	Investment	Category	Gross Fund Expense Ratio	Less Fund Rev Sharing	Net Fund Expense	Advisor Fee	TIAA Account Service Fee	Total Annual Exp
Annuity	TIAA Real Estate Account	Real Estate	0.87%	0.24%	0.63%	0.25%	0.41%	1.29%
TISCX	TIAA-CREF Social Choice Equity Institutional	Socially Responsible	0.18%	0.00%	0.18%	0.25%	0.41%	0.84%

*Please review the fund's prospectus for additional fee information.

**Stable Value is offered through a group annuity contract issued by TIAA. During the accumulation phase, the annuity's guarantees are backed by a pooled separate account of TIAA that is insulated from any potential claims of TIAA's creditors or

General Account policyholders. TIAA Stable Value is a guaranteed annuity contract issued by Teachers Insurance and Annuity Association (TIAA), New York, NY 10017.

*** Any guarantees under annuities issued by TIAA are subject to TIAA's claims-paying ability.