University System of Georgia Benefits

EMPLOYEE Q&A

2027 USG Retirement Program Update

Questions and Answers for Employees and Plan Participants

AT A GLANCE

Two changes will take effect January 1, 2027:

- Administrative and recordkeeping fees will move to a fixed-dollar structure, and
- Corebridge will not be available to employees who enroll in the plans on or after January 1, 2027.

No action is required at this time. Current Corebridge participants may keep their accounts, and contributions will continue as usual.

General information

1. What is changing in the USG retirement program?

Effective January 1, 2027, retirement plan administrative and recordkeeping fees will move to a fixed-dollar structure. In addition, Corebridge will no longer be available as a vendor option for employees hired or enroll in the plans on or after January 1, 2027.

2. Why is USG making these changes?

USG's Retirement Advisory Committee and CAPTRUST reviewed the retirement program to ensure it remains cost-effective, efficient and compliant. The fixed-fee structure is intended to make plan costs easier to understand and to apply fees consistently, regardless of the investments an employee selects.

3. Do I need to take any action now?

No action is required at this time.

4. When will the changes take effect?

Both changes take effect January 1, 2027. New fixed quarterly fee deductions will begin in the first quarter of 2027.

Fees and fee transparency

5. What plan-related costs do participants pay?

The retirement plans have three categories of plan-related costs:

- **Recordkeeping fees** paid to the plans' recordkeepers, such as Corebridge, TIAA or Fidelity.
- **Administrative fees** paid for the plans' investment consultant, accountants, legal counsel and other administrative resources. These are known as the USG Admin Fee.
- **Investment expenses** deducted from individual investments by fund managers and measured by an expense ratio.

6. Which fees are changing?

The administrative and recordkeeping fees are moving to a fixed-dollar structure. Investment expenses are not changing as part of this update.

7. How were recordkeeping and administrative fees paid in the past?

Historically, these costs varied by quarter. They were allocated across the total plan account balance and billed to each participant account pro rata. A portion of these fees was offset by credits accrued on the annuities investments with the plan.

8. How will recordkeeping fees be paid beginning in 2027?

Beginning in the first quarter of 2027, each recordkeeper you use will deduct the fixed quarterly fee from your account. The fee will be reported on your quarterly statement.

9. What happens if I use more than one recordkeeper?

Each recordkeeper you use will charge the applicable fixed quarterly fee. This means an employee with accounts at more than one recordkeeper will be charged a separate fee by each recordkeeper.

10. What will the fixed fee amount be?

The specific fee amount has not yet been finalized and will be communicated before the change takes effect.

11. What is happening with the USG administrative fee?

USG will continue to pay the plans' administrative fees on participants' behalf through the end of 2026 under the current USG Fee Holiday, using available plan credits and other plan related offsets. More information about the specific amount participants will pay in 2027 will be communicated closer to the effective date.

12. Why use a fixed-dollar fee?

A fixed-dollar structure is intended to make plan costs easier to see and understand and to apply fees consistently, regardless of investment selections.

13. Will investment choices change?

No changes to the core investment lineup ae being made as part of this update. It explains that investment choices are generally identical across each plan and retirement vendor, with limited exceptions for vendor-specific funds. Investment expenses are not changing as part of this update.

Corebridge changes

14. I currently use Corebridge. Can I keep my account?

Yes. Current Corebridge participants may remain with Corebridge, and their contributions will continue to be remitted as usual. USG's stated intent is for current Corebridge participants to experience no disruption. Corebridge participants continue using Corebridge in a voluntary plan after January 1, 2027.

15. Who will no longer be able to select Corebridge?

Beginning January 1, 2027, only employees already contributing to Corebridge may continue to use Corebridge. Employees who are not contributing to Corebridge as of that date, as well as employees hired on or after that date, will choose between TIAA and Fidelity for the USG Optional Retirement Plan, USG 403(b) Plan or USG 457(b) Plans.

16. Does using multiple vendors provide portfolio diversification?

Portfolio diversification is generally achieved through the mix of investments rather than by using multiple retirement vendors.

Help and additional information

CAPTRUST Financial Advisors provides dedicated investment advisory sessions at no cost to employees as part of the USG benefits package. Appointments are available online or by phone at 1-800-967-9948, Monday through Thursday, 8:30 a.m. to 5:30 p.m. Eastern time, and Friday, 8:30 a.m. to 4:00 p.m. Eastern time.

Learn more from CAPTRUST Financial Advisors | Schedule an appointment online