

Cost savings. Streamlined administration. Investment monitoring.

Why K-12 districts choose to participate in a retirement plan consortium

The Situation

For many K-12 districts looking to offer a supplemental retirement plan, the cost is beyond what they can afford ... and the prospect of choosing investments and managing the plan's administrative duties is more than they can handle.

Enter the retirement plan consortium—a solution where multiple school districts come together with other districts to form a single retirement plan.

"In my 25-year school district career, (the Trust) provides the best solution for both districts and employees that I have found," a district chief financial officer explained. "It eliminates the compliance concerns and effort involved for districts, while providing low-cost, best-in-class investments for participants with full transparency. There's no pressure education available to all employees whether they participate or not."

What is a retirement plan consortium?

A consortium is an organization of school districts/charters/educational associations that have come together to create a model focused on improving retirement outcomes for K-12 employees.

The consortium provides a total employee experience that emphasizes financial education, low-cost transparent fees and diligently evaluated and monitored investment options.



CASE STUDY

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The Solution

Participating districts benefit from the consortium's economy of scale by pooling purchasing power to increase options while reducing management costs, investment expenses and administrative time that is dedicated to a standalone retirement plan.

Employees receive

Expanded access to relevant educational resources

Through the consortium, school districts have expanded resources for helping employees make sound financial decisions. This is critical because without the consortium, many plan sponsors, especially those with multiple providers, wouldn't be able to offer or manage the extensive educational programs offered through the consortium via Corebridge.

Personalized financial advice

Knowing that relationships are critical to helping participants start and continue saving for retirement, Corebridge offers every consortium member employee access to its extensive network of licensed financial professionals who focus on educating participants, developing tailored financial plans, and providing relevant resources and guidance to improve financial outcomes. The financial advisors who work with the plan are not commission-based. So their focus is helping participants improve retirement outcomes, not selling products.

Employers also benefit from the consortium approach.

- The consortium is a turnkey solution for districts not wanting to deal with the ongoing administration of their supplemental plan.
- Investment management fees for each fund are all inclusive, meaning there are no additional fees, loads, marketing and administrative costs, or 12(b)1 fee enabling participants to know exactly what they are being charged.

- Building a "best-in-class" open architecture platform for multi-manager investments allows the consortium to offer both active and passive investments that were institutionally, not retail priced.
- Forming an Investment Committee to establish an investment policy statement provides oversight and monitoring of all investment offerings, which are reviewed quarterly.

The Results

Sponsors who participate in the consortium not only have an improved experience through greater efficiency, reduced costs and simplified compliance, their participants receive the tools, resources and personal experience they need to drive toward improved retirement outcomes.

In the words of a district superintendent, "(The Trust) provides so much more for our employees than merely the low-cost opportunity to supplement their (retirement) pension with sound investments. The individual care and attention available to educate and equip them without sales pressure is one-of-a-kind. I've heard the same from my employees, and I've also personally experienced it myself."

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