

# Retirement Plan Decision-Making Guide



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# Introduction To This Guide

Oregon Health & Science University recognizes that the retirement benefits available to you as an OHSU employee can be a significant part of your income during retirement. Since individual circumstances may vary, OHSU provides you a choice between two retirement plans. These plans give you the opportunity to choose the approach to investing in your future that best meets your individual needs and preferences:

- **University Pension Plan (UPP)** — allows you to choose how contributions to the plan are invested among funds offered by two insurance companies (AIG VALIC and TIAA-CREF) and a mutual fund company (Fidelity). Your benefits under the UPP are based on contributions to the plan and the investment earnings of the funds you select.
- **Oregon Public Employees Retirement System (PERS)** — is a retirement plan under which your benefits are calculated according to a formula based on your years of service and pay plus contributions to an individual account. OPSRP is administered by the Oregon Public Employees Retirement System (PERS).

## *Your Retirement Plan Enrollment Decisions*

You become eligible to participate in the UPP or OPSRP as of the first day of the month following six full months of employment. To begin participation in the plan of your choice, you must return a completed *Retirement Plan Election Form* to the Human Resources Department Retirement Programs Office (mail code HR) by the last day of the last pay period in your sixth full month of employment. On this form, you will need to indicate your choice of retirement plan (UPP or OPSRP).

*If you choose the UPP, you also will need to select one of the investment companies. In addition, you will need to complete and return to the Human Resources Department Retirement Programs Office an investment company form indicating the fund or funds in which you want to invest. These forms are available from the Human Resources Department Retirement Programs Office or by contacting the investment company directly. If you do not make a fund selection, contributions automatically will go into a balanced fund for AIG VALIC and Fidelity, and a Money Market fund for TIAA-CREF.*

During your eligibility enrollment period, you have the opportunity to consider which approach to investing for your future will best meet your individual needs and preferences. *This is an important decision for you. If you choose to enroll in the UPP, you will participate in that plan for the remainder of the time you are an OHSU employee. If you choose to enroll in OPSRP, you will have the opportunity to make a one-time switch to the UPP during the annual UPP transfer period held each November.* With this in mind, OHSU has prepared this decision-making guide to help you make your retirement plan enrollment decision. This guide contains:

- A side-by-side comparison of UPP and OPSRP plan provisions  
pages 5-9
- Highlights of the University Pension Plan  
pages 11-14
- Highlights of OPSRP  
pages 15-18
- Issues to consider as you make your enrollment decision  
page 19-22
- Investment choices  
page 23-30
- Profiles of your UPP investment choices  
page 31-36
- Samples of the type of questions you may want to ask the investment companies offered through UPP  
page 37-42
- Enrollment worksheet and instructions  
page 43-45

*Remember . . .*  
**To have a choice in your retirement plan, your completed Retirement Plan Election Form and investment company form, if applicable, must be returned to the Human Resources Department Retirement Programs Office by the last day of the last pay period in your sixth full month of employment.**

*This guide provides an overview of the University Pension Plan and the OPSRP retirement programs. In case of conflict between this guide and the official plan documents of the University Pension Plan and the Oregon state law regulating the OPSRP plan, the official plan documents and Oregon state law will govern.*

# Comparing Your Retirement Plan Options

The University Pension Plan and OPSRP both are intended to provide you with a reliable source of income during your retirement years. Although these plans have certain features in common, they also differ in key ways that can affect your retirement plan decision.

This section of the Decision-Making Guide highlights key provisions of the University Pension Plan and OPSRP. For more information, call the OHSU Human Resources Department Benefits Office or the investment companies directly. Phone numbers are listed on the inside front cover of this guide.

## *Remember ...*

Whether you choose the University Pension Plan or OPSRP, you also may elect to participate in the university voluntary saving program.

Call the Human Resources Department Benefits Office at 503 494-7617 for more information.

## Comparing Your Retirement Plan Options

	UPP	PERS: OPSRP-IAP																
<b>Eligibility</b>	All employees who: <ul style="list-style-type: none"> <li>■ Have completed six full months of employment; and</li> <li>■ Work 600 hours or more per year in a qualifying position.</li> </ul>	All employees who: <ul style="list-style-type: none"> <li>■ Have completed six full months of employment; and</li> <li>■ Work 600 hours or more per year in a qualifying position</li> </ul>																
<b>Employer contributions</b>	6% of up to \$220,000 of annual salary (in 2006).	5% of up to \$220,000 of annual salary in 2006 (rate changes are based on the average actuarial valuation for all PERS plans).																
<b>Employee contributions</b>	6% of up to \$220,000 of annual salary (in 2006), <i>currently made on your behalf by OHSU.</i>	6% of up to \$220,000 of annual salary (in 2006), <i>currently made on your behalf by OHSU.</i>																
<b>Rollovers</b>	Pre-tax contributions accepted from other employers' qualified retirement plans.	Not accepted.																
<b>Vesting schedule</b>																		
<i>Employee contributions</i>	100% immediately	100% immediately																
<i>Employer contributions</i>	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Vesting percentage</th> <th style="text-align: left;">Years of qualifying service</th> </tr> </thead> <tbody> <tr> <td>40%</td> <td>1</td> </tr> <tr> <td>60%</td> <td>2</td> </tr> <tr> <td>80%</td> <td>3</td> </tr> <tr> <td>100%</td> <td>4+ or age 50</td> </tr> </tbody> </table>	Vesting percentage	Years of qualifying service	40%	1	60%	2	80%	3	100%	4+ or age 50	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Vesting percentage</th> <th style="text-align: left;">Years of qualifying service</th> </tr> </thead> <tbody> <tr> <td>0%</td> <td>1-4</td> </tr> <tr> <td>100%</td> <td>5+ or age 65</td> </tr> </tbody> </table>	Vesting percentage	Years of qualifying service	0%	1-4	100%	5+ or age 65
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0%	1-4																	
100%	5+ or age 65																	
	<i>Note: Years of service you already may have earned under PERS also will apply toward vesting under UPP.</i>																	

## Comparing Your Retirement Plan Options

	UPP	PERS: OPSRP - IAP
<b>Investment options</b>	<p>You select from a variety of investment funds offered through:</p> <ul style="list-style-type: none"> <li>■ AIG VALIC</li> <li>■ Fidelity Investments</li> <li>■ TIAA-CREF</li> </ul>	Investment funds are selected and managed for PERS by the Oregon Investment Council (OIC).
<b>Investment guarantee</b>	None. Investment returns are the actual performance of funds you select.	None. Investment returns are the actual performance of the regular account.
<b>Loans</b>	Available subject to restrictions. You may borrow up to 50% of the value of your Employee and Rollover Accounts up to a maximum of \$50,000 in 3 active loans.	Not available.
<b>Changing investments</b>	<ul style="list-style-type: none"> <li>■ You may change investment companies for: <ul style="list-style-type: none"> <li>• future contributions once per year during the UPP annual transfer period, effective the following January 1.</li> <li>• existing account balances at any time.</li> </ul> </li> <li>■ You may make changes among funds offered by your current investment company for: <ul style="list-style-type: none"> <li>• future contributions as often as the company allows.</li> <li>• existing account balances as often as the company allows.</li> </ul> </li> </ul>	Not available.

## Comparing Your Retirement Plan Options

	UPP	PERS: OPSRP - IAP
<b>When full benefits become available</b>	After 100% vesting service or age 50.	At age 65 or upon completion of 30 years of service or age 58.
<b>If you leave OHSU before retirement</b> <i>If you are fully vested</i>	<p>You may withdraw the value of your Employee, Rollover and vested Employer Accounts at any time</p> <p><i>or</i></p> <p>You may leave your vested accounts in the UPP until retirement.</p>	<p>You may withdraw the value of your Employee IAP Account only; funds in the Employer OPSRP Account are forfeited</p> <p><i>or</i></p> <p>You may leave your Employee IAP and Employer OPSRP Accounts in PERS until retirement. Your IAP account will continue to be eligible for investment earnings to retirement.</p>
<i>If you are not vested or are partially vested</i>	<p>You may withdraw your Employee, Rollover and vested Employer Account balances only. The non-vested portion of your Employer Account is forfeited</p> <p><i>or</i></p> <p>You may leave your vested accounts in the UPP. The nonvested portion of your Employer Account is forfeited.</p>	<p>You may withdraw your Employee IAP Account balance only. Funds in the Employer OPSRP Account are forfeited</p> <p><i>or</i></p> <p>You may leave your Employee IAP Account balance in PERS where it will be eligible for investment earnings to retirement. Retirement credit in the Employer OPSRP Account is forfeited.</p>
<b>How benefits are determined</b>	The value of your Employee and Rollover Accounts and the vested portion of your Employer Account	<p><b>Full Formula:</b> Your highest 3 consecutive year or last 36 consecutive months of salary, divided by 36, multiplied by 1.50%, multiplied by your years of qualified service</p> <p><b>Note:</b> A full year of service is 2,000 hours paid per calendar year; prorated for calendar years of less than 2,000 hours paid.</p> <p><b>IAP:</b> The value of your IAP Account</p>

<b>Comparing Your Retirement Plan Options</b>		
	<b>UPP</b>	<b>PERS: OPSRP - IAP</b>
<b>Benefit payment options</b>	A variety of payment options are offered by the investment company you choose.	A variety of payment options from the Employer OPSRP Account, including life annuity and joint and survivor option, are offered. A lump sum payment or an installment over a 5, 10, 15 or 20-year period from your Employee IAP Account.
<b>Disability benefit</b>	100% of your Employee, Rollover and Employer Account balance, as of the date of disability.	Disability benefit will be 45 percent of your salary as of the last full month of employment before the disability commenced. Refer to the OPSRP Member's Handbook.
<b>Survivor benefit</b> <i>If you die before retirement</i>	100% of your Employee, Rollover and Employer Account balances at time of death, paid to your survivor(s).	The actuarial equivalent of the pension that would have been paid as a retirement benefit to you. Refer to the OPSRP Member's Handbook.
<i>If you die after retirement</i>	Benefit is determined by payment option you selected at the time you retired.	
<b>Retiree health care</b>	Coverage is available through OHSU employee health plans for pre-65 retirees.  Coverage is available through OHSU Retiree Care plans for post-65 retirees.	Coverage is available through PERS or OHSU Retiree Care for pre-65 and post-65 retirees.



# Highlights of the University Pension Plan

The UPP allows you more control over how you invest for your future than is available through OPSRP. Under the UPP, you have the opportunity to choose the investments — ranging from conservative or moderate to more aggressive — which you feel best match your individual personality, interests and financial goals. And, as your financial goals and needs change over time, you'll find that the UPP gives you the flexibility to change your investment strategy.

As you consider whether the UPP makes sense for you, here are some important facts you may want to keep in mind.

## Contributions

Contributions to the UPP include:

- *Employer contributions* made by OHSU. Currently this amount is 6% of your salary; and
- *Employee contributions* equal to 6% of your salary. These contributions currently are paid by OHSU on your behalf.

In addition, you may transfer, or “rollover,” to this plan your pre-tax account balance from another employer’s retirement plan. If you are considering a rollover to this plan, you should call the Human Resources Department Retirement Programs Office as soon as possible to discuss rules that may affect your rollover.

Federal and state income taxes are deferred on Employer and Employee contributions, Rollover contributions, if applicable, and any earnings on these contributions as long as they remain in the UPP.

### *Notes*

**Under federal law, annual salary in excess of \$220,000 for 2006 (subject to adjustment) will not be considered in calculating the amount of Employee and Employer contributions to the UPP. In addition, other limitations may apply to contributions made to all OHSU-sponsored retirement plans on your behalf. You will be notified if any of these limitations apply to you.**

## Investment Options

When you enroll in the UPP, you'll be asked to select an investment company in which your Employer, Employee and, if applicable, Roll-over contributions will be invested. You may choose among a variety of funds available through any one of the following companies:

- AIG VALIC
- Fidelity Investments
- TIAA-CREF (Teachers Insurance and Annuity Association - College Retirement Equities Fund)

Highlights of these investment company options are provided on pages 24-25 of this Guide.

## Making Changes

You may switch from one UPP investment company to another as follows:

- *Future contributions* to the plan — once per calendar year, during the UPP transfer enrollment period, effective Jan. 1 of the next year.
- *Existing account balances* in the plan — at any time.

You may rearrange your investments among the funds offered by your current investment company as often as the investment company allows. This applies to:

- *Future contributions* to the plan.
- *Existing account balances* in the plan.

### *Remember ...*

Any changes in how your existing account balances are invested are subject to any restrictions of your investment company and the investment company to which you are changing. In addition, changes to your existing account balances may be subject to fees by your selected investment company.

## Vesting

*Vesting* is a form of ownership. When you are vested you cannot, except under certain specified circumstances, such as a domestic relations court order, lose your right to your plan benefit. You become vested in your UPP benefit as follows:

- *Employee and Rollover Accounts*, including any related earnings: immediately.
- *Employer Accounts*, including any related earnings: 40% following your first year and 20% for each subsequent calendar year of employment in which a UPP contribution is made on your behalf (100% after four years). You will become fully vested in your Employer Account if you are working for OHSU at age 50, even if you haven't earned four years of service.

## Loans

The availability of loans offers you access when you need it to the money in your plan account without tax penalties. And, when you take out a loan from your University Pension Plan account, you are essentially borrowing money from yourself and then paying yourself back, with interest.

You may be eligible for loans of up to 50% of the value of your Employee and Rollover Account balances, with a minimum of \$1,000 and up to a maximum of \$50,000. You may have a maximum of three active loans at one time. You have five years in which to repay the loan, with interest.

### *Remember ...*

**If electing to transfer enrollment to the UPP during the UPP annual transfer period, any years of qualifying vesting service you already may have earned under PERS, while employed at OHSU, also will apply toward vesting in your Employer Account under the UPP. Loans from your Employer Account balance are not available.**

## How Your UPP Benefit Is Calculated

Your retirement benefit is the total value of your Employee and Rollover Account balances and the vested portion of your Employer Account balance at the time you qualify to receive benefits. Available forms of benefit payments include a single lump sum or a payment option offered by the investment company with which you are investing.

## When Benefits Become Payable

Retirement benefits under the UPP, consisting of your entire Employee and Rollover Accounts and the vested portion of your Employer Account, become available when you terminate employment.

Amounts distributed and not rolled over before age 59 1/2 are subject to additional 10% tax unless an exception applies.

## If You Leave OHSU Before Retirement

If you terminate employment with OHSU before retirement, you may choose to:

- Withdraw the vested portion of your accounts at any time;
- or*
- Leave your vested accounts in the UPP until retirement. In this case, additional contributions will not be made to your account, but investment earnings (or losses) will continue to be posted to your account. In addition, you will retain the same rights as active employees in making changes to your account.

### *Remember ...*

**You will forfeit the non-vested portion of your Employer Account if you are not vested or partially vested when you leave OHSU.**

# Highlights of PERS: OPSRP

The Oregon Public Employees Retirement System (OPSRP) is a hybrid retirement plan. Under this plan, your benefits generally are calculated according to a formula based on your service and pay with OHSU plus the balance in the Employee IAP Account.

The following pages highlight key provisions of the OPSRP plan that may affect your retirement plan enrollment decision. For more detailed information, please refer to the OPSRP Member's Handbook, which is available to view on the OHSU O-Zone at <http://ozone.ohsu.edu/hr/benefits/save.shtml> or OPSRP at <http://oregon.gov/pers>

## Contributions

Contributions to OPSRP are based on your salary. These include:

- Employer contributions made by OHSU. In 2005, this amount is 5% of your salary (the average actuarial valuation for all PERS plans); and
- Employee IAP contributions equal to 6% of your salary. These contributions currently are paid by OHSU on your behalf.

**Federal and state income taxes** are deferred on contributions and any related earnings as long as they remain in the plan.

## Investment Options

- The Employee IAP and Employer OPSRP contributions to the plan are managed by the Oregon Investment Council (OIC) which makes all investment decisions on your behalf — you do not make any investment decisions. The OIC may invest up to 50% of contributions in common stock, with the remainder invested in fixed income securities

*Remember ...*

**You always are  
100% vested in your  
Employee Account.**

*Remember ...*

**A full year of service  
is 2,000 hours paid per  
calendar year; prorated  
for calendar years of less  
than 2,000 hours.**

## Vesting

Vesting is a form of ownership. You always are fully vested in your Employee IAP contributions including any related earnings. You earn the right to the Employer OPSRP pension credit based on your salary and service with OHSU. You become 100% vested in your OPSRP Employer Account balance after five years of qualifying service or, if you still are an OHSU employee, at age 65 regardless of your length of service

## How Your OPSRP Benefit Is Calculated

Your OPSRP retirement benefit is calculated as follows:

- **Full Formula Method**, in which your benefit is based on the following formula: your highest three consecutive years of salary or last 36 consecutive months, divided by 36, multiplied by 1.50% times your years and months of service;

*plus*

- **IAP**, in which your benefit is the balance of the Employee IAP Account.

Available forms of OPSRP payment include life annuity and joint and survivor annuity payment of your Employer OPSRP Account plus the balance from your Employee IAP Account.

## When Benefits Become Payable

Retirement benefits under OPSRP become available as follows:

- *At normal retirement*: age 65. Or at any age following 30 or more years of qualifying service at age 58.
- *At early retirement*: age 55. In this case, however, your benefit as calculated under the Full Formula method will be reduced (unless you have 30 or more years of service).
- *If you become disabled* due to a non-duty disability, and have contributed to OPSRP during 10 calendar years. In this case, benefits under OPSRP are based on 45 percent of your salary as of the last full month of employment before the non-duty disability commenced. Refer to the OPSRP Member's handbook.
- If you die before receiving benefits under the plan, your beneficiaries will receive your vested benefit as:
  - ◆ The actuarial equivalent of 50 percent of the pension that would have been paid as a retirement benefit to you. Refer to the OPSRP Member's Handbook.
  - ◆ The balance of the Employee IAP Account.

### *Notes*

**Your final average monthly salary is 1/36th of the greater of your three highest consecutive calendar year salaries or your last 36 months of salary.**

*Remember ...*  
If you die after receiving benefits from the plan, any benefits payable to your beneficiaries are based on the terms of the annuity form you select.

## If You Leave OHSU Before Retirement

*If you are vested* and terminate employment with OHSU before qualifying for early or normal retirement, you may choose to:

- Withdraw the value of your Employee IAP Account. The value of the retirement credit in your Employer OPSRP Account is forfeited in this case; or
- Leave your vested Employee IAP Account Balance and retirement credit in your Employer OPSRP Account until you would qualify for retirement. If you do so, your benefit will be based on the options described on page 17.

*If you are not vested* and terminate employment with OHSU before qualifying for early or normal retirement, you may choose to:

- Withdraw the value of your Employee IAP Account. You will forfeit the value of your retirement credit in the Employer OPSRP Account; or
- Leave your Employee IAP Account balance in OPSRP where it will be eligible to accrue investment earnings to retirement. You will forfeit the value of your retirement credit in your Employer OPSRP Account.

## Seven Issues to Consider as You Decide Between the UPP and OPSRP

Your decision between enrolling in the UPP and OPSRP is important. If you choose to enroll in the UPP, you will remain in that plan the entire period of your employment with OHSU. So, as you think about which retirement plan to choose, it's important to carefully consider your financial goals and objectives for the future as well as your personal comfort level and circumstances.

This section provides you with a look at seven issues you may want to consider as you make your retirement plan decision.

*Whatever your retirement plans, once you have some ideas about what you want to do, you'll be able to estimate the income you'll need to support your lifestyle after work. Then, you'll need to consider which retirement plan you think will be most likely to provide you with that income.*

*If you expect that your overall financial situation will be relatively comfortable in retirement, you may feel comfortable taking a more aggressive approach to investing in exchange for the possibility of higher returns. In this case, you may want to give the University Pension Plan a closer look. If, however, your expected resources outside of the OHSU retirement plans will be more limited in retirement, the more conservative OPSRP may be a better choice for you.*

## 1.

What are your plans for retirement? This may seem like an obvious place to start, but you might be surprised by how little planning many people do for their retirement years. So, if you haven't done so already, this may be a good time to consider what kind of life you want to lead in retirement. For example, do you plan to travel? Pursue a new or ongoing hobby? Volunteer? Work part-time?

## 2.

What financial assets can you expect to have in retirement? For many employees, retirement benefits provided by OHSU — through OPSRP or the UPP — can be a significant portion of the income they can expect in retirement. Other income you may have available in retirement may come from:

- Social Security. You may request an estimate of the benefits you currently qualify to receive at retirement by calling the Social Security Administration toll-free at 800 772-1213 or by visiting their website [www.socialsecurity.gov](http://www.socialsecurity.gov) or your local Social Security office.
- The OHSU Voluntary Savings Program, available whether you choose the UPP or OPSRP. If you decide to participate in this voluntary plan, you generally may contribute up to \$15,000 for 2006 (with additional optional catchup provision for employees age 50 or older) of your salary each year to annuity or mutual funds that are made available through this program. And, since taxes are deferred on your contributions and earnings in this program, your investments can grow faster than they would in an after-tax investment program.
- Your savings and investments outside of the OHSU retirement program. These may include equity in your home or other property, savings accounts and investments, and other retirement plans in which you or your spouse participate.

### 3.

How much risk are you willing to accept with your retirement savings to earn higher returns? Risk and return generally go together — the more risk, the higher the potential returns. This idea is supported by a performance history which indicates that investments with more risk, such as bonds and stocks, have had better returns — they've grown more over the long run — as compared to more conservative and stable investments, such as guaranteed investment contracts or money market instruments.

### 4.

How comfortable are you making your own investment decisions? Although it's important for people to take responsibility for their financial futures, the fact is that some of us are less comfortable or interested in making these decisions than others. Under OPSRP, all investment decisions are made on your behalf by financial professionals working for the plan.

### 5.

How long do you expect to work before you retire? As a general rule, if you expect to retire within a relatively short time — typically within five years — you may want to consider a more conservative approach to investing, such as that offered through OPSRP. This approach can help stabilize the value of your retirement income in the years just before you start to need it.

If, on the other hand, you have a longer period of time before retirement, you also have more time to ride out any short-term downturns in the value of your retirement plan account. In this case, you may be willing to accept more risk in exchange for the higher returns that may be available in the long run through the UPP.

#### *Notes*

The UPP allows loans of up to 50% of your Employee, and, if applicable, Rollover Account balances for any reason. The maximum amount you may borrow at any time is \$50,000 and the minimum amount is \$1,000 – with no more than three loans at one time.

You may choose to enroll in the UPP during your initial eligibility enrollment or during any subsequent UPP annual transfer period held each November. Once you change to the UPP, however, you cannot switch back to OPSRP, while employed at OHSU.

*Risk* refers to the chance that you may lose money on your investment. Both OPSRP and the UPP include investment options that vary in terms of potential risk and return. In general, however, OPSRP is the more conservative option, offering less investment risk — and therefore, less potential return — than the University Pension Plan.

*Remember . . .* it's important to take a level of responsibility that's comfortable for you and that will let you sleep at night. If you don't feel that you have the time or interest to handle investment decisions, you may find that OPSRP could be the better choice.

*Remember ...*

The number of years you have ahead of you in the plan can affect your retirement plan decision in different ways, depending upon your investment personality and goals. In general, however, regardless of the number of years you have ahead of you, if...

- The stability of your investment is more important to you than earning high returns, OPSRP may be a better choice; or
- Higher returns are a key factor in reaching your retirement goals, the UPP may offer investment choices that better help you reach these goals.

Keep in mind that, if you enroll in the UPP, you become vested in your Employer Account sooner than you do under OPSRP. You become 40% vested in your UPP Employer Account with one year of service and become an additional 20% vested for each of your next three years of service. This means you become 100% invested in your Employer Account after only four years of service.

## 6.

Do you expect to change jobs in the future? If you are vested under OPSRP and terminate employment before retirement, you may choose to leave your Employee IAP Account balance in the plan until you qualify to retire or take it with you. Keep in mind, however, if you choose to withdraw your Employee IAP Account balance, you will forfeit the retirement credit of your Employer OPSRP Account.

If you are not vested under OPSRP and terminate employment before retirement, you may choose to leave your Employee IAP Account balance in the plan where it will be eligible for investment earnings to retirement. Or you may withdraw your Employee IAP Account balance. The retirement credit in the Employer OPSRP Account is forfeited.

On the other hand, the UPP allows you to take the entire value of your account (both employee and vested employer contributions) with you. You may choose to rollover your distribution to your new employer's qualified plan, if that plan accepts rollovers.

## 7.

Do you think you may need access to your retirement plan account before retirement? As you make your retirement plan decision, it's important to balance your goals for retirement with more immediate financial needs, such as helping pay for your child's college education or buying a house. If money from your retirement plan could be an important part of meeting financial needs before retirement, you may want to keep in mind that, under the UPP, you may qualify for loans from your Employee Account balance.

# University Pension Plan Investment Choices

Your enrollment decision for the University Pension Plan is really a two-part process. If you elect to enroll in this plan, you also need to choose the investment company — and specific fund or funds offered by that company — in which you want to invest.

This section provides a brief look at the investment companies that participate in the University Pension Plan and the investment funds they offer.

### *Remember ...*

**The investment company you select will be responsible for providing you with more information about your investments and for paying your benefits when you retire or otherwise leave employment with OHSU.**

*Fixed annuity funds*

earn guaranteed interest rates for specified periods of time on the money you contribute.

*Variable annuity funds*

(similar to mutual funds) invest in money market instruments, bonds, stocks, real estate or a combination of these.

*A mutual fund is ...*

a financial arrangement which collects and invests money from many people. Depending on the fund's investment objective, it may:

- Invest your money in stocks, bonds, money market instruments, other kinds of securities alone or in some combination; and
- Take a particular approach to investing — steady and predictable, aggressive and growth-oriented, or somewhere in between.

Mutual funds are available to the general public. In fact, many daily newspapers report on investment results of mutual funds.

## About the UPP Investment Companies

The University Pension Plan offers you a choice from among a variety of funds offered through two insurance companies and a mutual fund company.

### Insurance Companies

- AIG VALIC family of companies, each of which is a member of American International Group, Inc., has been a pacesetter and an industry leader in the retirement services industry for half a century. Its national network of experienced and trusted financial advisors provide the help and resources Americans need to plan for their future. AIG VALIC offers access to objective and expert financial planning and advise as well as a choice from an array of more than 60 investment options advised or subadvised by widely recognized professional money managers. All this is supported by a coordinated, comprehensive and objective financial education program.
- TIAA-CREF (Teachers Insurance and Annuity Association — College Retirement Equities Fund) has offered employees in education and research fixed annuity funds through TIAA since 1918 and variable annuity funds through CREF since 1952. The combined assets of TIAA-CREF currently exceed \$350 billion. TIAA offers the Traditional Annuity Fund and the TIAA Real Estate Account. CREF offers eight variable annuity accounts.

### Mutual Fund Company

- Fidelity Investments Tax-Exempt Services Company — a division of Fidelity Investments, founded in 1946, offers more than 100 mutual funds from which to choose. Total assets in 2000 exceeded \$1.0 trillion.

## Choosing Your UPP Investment Funds

When you enroll in the University Pension Plan, you invest your Employee, Employer and, if applicable, Rollover contributions in any one or more of the investment funds offered by an investment company.

*The tables beginning on page 32 provide a brief look at each of the UPP investment funds, including their investment objectives and strategies.*

As you consider which funds may best help you meet your financial objectives for retirement, you should start by evaluating how much risk you are willing to tolerate in exchange for a potential level of return. As you can see on the chart on pages 26-27, risk and return generally move in the same direction — the more risk, the higher the potential returns.

If you determine that you are a:

- ***Conservative investor*** — you want to keep your risk as low as possible — you may want to focus primarily on the funds on the left side of each chart. These tend to be the most stable. They have less risk of loss, but also less potential for dramatic growth in earnings over time.
- ***Moderate investor*** — you are willing to trade some risk for the possibility of higher returns — the funds in the middle of the chart may be of the most interest to you. These funds generally try to balance the risk of loss with a somewhat higher potential for gain over time.
- ***Aggressive investor*** — you have a high tolerance for risk — you may want to look at the funds on the right side of the chart. As you can see, these funds have both the highest potential for loss but also the highest potential for significant returns over time. As a general rule, these funds also will be the most volatile.

***Risk*** is the chance that you will lose money on your investment due, for example, to changes in the stock or bond markets, interest rates or inflation.

***Returns*** are the amount of money you earn on your investment. As you consider potential returns, keep in mind that past performance is no guarantee of future returns.

***Volatility*** is the tendency for the market value of an investment to go up and down sharply in the short term.

# Comparing Your UPP Investment Funds — Risk and Return

LOW POTENTIAL RETURN

LOW RISK

	MONEY MARKET FUNDS	STABLE INCOME FUNDS	BOND FUNDS	REAL ESTATE FUNDS	BALANCED FUNDS	EQUITY INCOME FUND
<p>This chart shows the <i>relative risk</i> and <i>return</i> of the general investment fund categories offered by the UPP. For each investment company, the chart also lists the investment funds available by investment category. Investment categories are briefly defined on pages 28 through 30.</p>	<p>AIG VALIC</p> <ul style="list-style-type: none"> <li>■ Money Market I</li> </ul>	<p>AIG VALIC</p> <ul style="list-style-type: none"> <li>■ Fixed Account Plus</li> </ul>	<p>AIG VALIC</p> <ul style="list-style-type: none"> <li>■ Vanguard Long-Term Treasury</li> <li>■ International Government Bond</li> </ul>		<p>AIG VALIC</p> <ul style="list-style-type: none"> <li>■ Vanguard/Wellington</li> <li>■ Asset Allocation</li> </ul>	<p>AIG VALIC</p> <ul style="list-style-type: none"> <li>■ Blue Chip Growth (T Rowe Price)</li> <li>■ Social Awareness</li> <li>■ Vanguard Windsor II</li> </ul>
	<p>FIDELITY</p> <ul style="list-style-type: none"> <li>■ Retirement MM Portfolio</li> </ul>		<p>FIDELITY</p> <ul style="list-style-type: none"> <li>■ Government Income</li> <li>■ Investment Grade</li> <li>■ US Bond Index</li> </ul>	<p>FIDELITY</p> <ul style="list-style-type: none"> <li>■ Real Estate Investment</li> </ul>	<p>FIDELITY</p> <ul style="list-style-type: none"> <li>■ Asset Manager</li> <li>■ Balanced</li> </ul>	<p>FIDELITY</p> <ul style="list-style-type: none"> <li>■ Equity Income</li> </ul>
	<p>TIAA-CREF</p> <ul style="list-style-type: none"> <li>■ CREF Money Market Account</li> </ul>	<p>TIAA-CREF</p> <ul style="list-style-type: none"> <li>■ TIAA Traditional Annuity</li> </ul>	<p>TIAA-CREF</p> <ul style="list-style-type: none"> <li>■ CREF Bond Market Account</li> <li>■ CREF Inflation Linked Bond Account</li> </ul>	<p>TIAA-CREF</p> <ul style="list-style-type: none"> <li>■ TIAA Real Estate Account</li> </ul>	<p>TIAA-CREF</p> <ul style="list-style-type: none"> <li>■ CREF Social Choice Account</li> </ul>	<p>TIAA-CREF</p> <ul style="list-style-type: none"> <li>■ CREF Stock Account</li> </ul>

HIGH POTENTIAL RETURN

HIGH RISK

GROWTH AND INCOME FUNDS	EQUITY INDEX FUNDS	LARGE CAP EQUITY FUNDS	MID CAP EQUITY FUNDS	SMALL CAP EQUITY FUNDS	SPECIALTY FUNDS	INTERNATIONAL EQUITY FUNDS
<b>AIG VALIC</b> ■ Large Cap Value (SSG/American Century) ■ Growth and Income (AIG SunAmerica)	<b>AIG VALIC</b> ■ Stock Index ■ Nasdaq — 100 Index ■ Small Cap Index	<b>AIG VALIC</b> ■ Ultra (American Century) ■ Value (Oppenheimer) ■ Large Capital Growth (AIM/SunAmerica)	<b>AIG VALIC</b> ■ Ariel Appreciation ■ Mid Cap Value (Wellington) ■ Mid Cap Growth (AIM Capital Management)	<b>AIG VALIC</b> ■ Ariel ■ Small Cap Value (J.P. Morgan) ■ Small Cap Growth (Franklin)	<b>AIG VALIC</b> ■ Health Sciences (T. Rowe Price) ■ Science & Technology (T. Rowe Price)	<b>AIG VALIC</b> ■ Foreign Value (Franklin Templeton) ■ Global Equity (Putnam) ■ International Growth 1 (American Century)
<b>FIDELITY</b> ■ Growth and Income	<b>FIDELITY</b> ■ Spartan US Equity Index ■ Spartan Extended Market Index	<b>FIDELITY</b> ■ Growth Company ■ Contra Fund ■ Capital Appreciation	<b>FIDELITY</b> ■ Value	<b>FIDELITY</b> ■ Small Cap Stock ■ Small Cap Independence	<b>FIDELITY</b> ■ Selected Portfolios: 42 Industry Specific funds	<b>FIDELITY</b> ■ Diversified International ■ Spartan International Index
<b>TIAA-CREF</b> ■ CREF Growth Account	<b>TIAA-CREF</b> ■ CREF Equity Index Account					<b>TIAA-CREF</b> ■ CREF Global Equities Account

*Commercial paper* refers to short-term debt issues by corporations.

Your *principal* is the amount of your investment before any earnings or losses are posted to your account.

*Securities* is a general term referring to investments in ownership — such as stocks — or in debt — such as bonds or money market instruments.

*Maturity* refers to the date on which a bond or other debt security becomes due and is to be paid off. For bonds, the longer the average maturity, the greater the fluctuations in the value of the bonds.

## Investment Categories Defined

### Money Market Funds

These funds invest in short-term (less than one year) instruments such as Treasury bills, certificates of deposit (CDs) and commercial paper. While returns fluctuate with interest rates, the securities in which these funds invest guard against principal loss.

### Stable Income Funds

These funds invest in a mix of fixed and variable rate securities issued by insurance companies, banks, corporations and the U.S. government. Your investment in a stable income fund is backed by the underlying credit of the issuer(s).

### Bond Funds

These funds invest in debt issued by the U.S. government alone or in combination with corporate debt securities. Short/intermediate term bond funds have an average maturity from two to six years. Intermediate/long term bond funds have an average maturity from five to 15 years.

Global bond funds invest in debt issued by foreign companies and foreign governments as well as debt issued by U.S. companies and the U.S. government. As a result, investment in a global bond fund offers an effective way to diversify fixed income investments on a global basis. The value of foreign debt securities is significantly affected by changes in foreign interest rates and currency exchange rates. Investments in these funds provide greater opportunity for capital appreciation but also can be more volatile than other bond funds.

**Real Estate Funds**

These funds invest directly in commercial and multi-family properties, REITs and fixed income securities.

**Balanced Funds**

These funds invest in a flexible mix of U.S. stocks, bonds and money market instruments. Returns and volatility of returns for balanced funds should fall somewhere between bond funds and equity funds.

**Equity Income**

These funds pursue current income by investing at least 65% of their assets in dividend paying equity securities.

**Growth and Income Funds**

These funds seek capital appreciation and current income as near-equal objectives. They invest primarily in equity securities paying above average dividends along with some potential for capital appreciation.

**Equity Index Funds**

These funds seek to replicate the returns and risk profiles of major equity indexes. As a result, by definition and design, index funds never do worse or better than the market.

**Large Cap Equity**

These funds seek long-term growth of capital by investing primarily in equity securities of companies with large market capitalizations. Large capitalization companies may have less growth potential than smaller companies and may be able to react less quickly to changes in the marketplace.

*Current income* refers to payment of dividends, or the proportion of net earnings paid to stockholders by a corporation, and interest from fixed income securities.

*Capital appreciation* is the rise in the market price of shares owned.

An *index* is a group of investments selected to gauge the movement of a larger group of investments or the market as a whole. The Standard & Poor's 500 is an example of an index.

*Market capitalization* refers to the total amount of all forms of securities issued by a corporation.

#### **Mid Cap Equity**

These funds seek long-term growth of capital by investing primarily in equity securities of companies with medium market capitalizations. Investing in medium capitalization stocks may involve greater risk than investing in large capitalization stocks, because they can be subject to more abrupt and erratic movements. However, they tend to involve less risk than stocks of small capitalization companies.

#### **Small Cap Equity**

These funds seek long-term growth of capital by investing primarily in equity securities of companies with small market capitalizations. Investing in small capitalization stocks may involve greater risk than investing in medium and large capitalization stocks, because they can be subject to more abrupt and erratic movements.

#### **Specialty Funds**

These funds invest in specific industry segments.

#### **International Equity Funds**

These funds invest in the publicly traded common stock of non-U.S. firms. Fund managers make their decisions based on factors such as the relative strength of the economies of foreign countries, the value of currencies relative to the U.S. dollar, political stability, and the expected earnings of foreign firms. Because of the relatively low relationship between non-U.S. stock markets to the U.S. market, international equity funds provide an option to other U.S. equity funds.

## Profiles of Your UPP Investment Funds

Following is a list of investment funds offered by the investment companies participating in the University Pension Plan. These funds were selected by OHSU, in conjunction with the UPP investment companies, to provide a broad range of investment options.

### *Remember ...*

**It's important to read the prospectus before investing in any fund. The fund prospectus spells out details about the fund's investment objectives, degree of risk and past investment results. Keep in mind, however, as you review the information provided to you, past returns do not guarantee future performance.**

**To obtain prospectus information about a given fund or funds, call or write the applicable investment company.**

## AIG VALIC

Investment Fund	Investment Category	Description
<b>Money Market 1</b>	Money Market	Income through investments in short-term money market instruments.
<b>Fixed Account Plus</b>	Stable Income	Guaranteed specified interest rate through fixed income instruments.
<b>Vanguard Long-term Treasury</b>	Bond	Income through investment in long-term U.S. Treasury bonds.
<b>International Government Bond</b>	Balanced	Seeks the highest possible total return consistent with the preservation of capital through current income and capital gains on investments in intermediate and long-term debt instruments and other income-producing securities.
<b>Vanguard Wellington</b> *Default Fund if no investment selection is made	Balanced	Income and growth through 30% to 40% investment in high quality corporate bonds and 60% to 70% investment in common stocks.
<b>Asset Allocation</b>	Balanced	Seeks the highest possible total return consistent with the preservation of capital through current income and capital gains on investments in intermediate and long-term debt instruments and other income-producing securities.
<b>Blue Chip Growth</b>	Equity Income	Seeks the highest possible total return consistent with the preservation of capital through current income and capital gains on investments in intermediate and long-term debt instruments and other income-producing securities.
<b>Social Awareness</b>	Equity Income	Seeks to obtain growth of capital through investment, primarily in common stocks, in companies which meet the social criteria established for the fund.
<b>Vanguard Windsor II</b>	Equity and Income	Seeks to provide long-term capital appreciation and income.
<b>Large Cap Value</b>	Growth and Income	Seeks to provide total returns that exceed over time the Russell 1000 Value Index through investment in equity securities.
<b>Growth &amp; Income</b>	Growth and Income	Seeks to provide long-term growth of capital and secondarily, current income, through investment in common stocks and equity-related securities.
<b>Stock Index</b>	Growth and Income	Growth through investments included in S&P 500 Index
<b>NASDAQ 100</b>	Equity Index	Seeks long-term capital growth through investments in the stocks that are included in the Nasdaq-100 Index

Investment Fund	Investment Category	Description
<b>Small Cap Index</b>	Equity Index	Seeks to provide growth of capital through investment primarily in a diversified portfolio of common stocks.
<b>Value</b>	Large Cap Equity	Seeks capital growth and current income through investments primarily in common stocks of large U.S. companies.
<b>Large Cap Growth</b>	Large Cap Equity	Seeks to provide long-term growth of capital by normally investing in common stocks of well-established, high-quality growth companies.
<b>Ariel Appreciation</b>	Mid Cap Equity	Seeks long-term capital appreciation by investing primarily in the stocks of medium-sized companies.
<b>Mid Cap Value</b>	Mid Cap Equity	Seeks capital growth, through investment in equity securities of medium capitalization companies using a value-oriented investment approach.
<b>Mid Cap Growth</b>	Mid Cap Equity	Seeks capital appreciation principally through investments in medium-capitalization equity securities.
<b>Ariel</b>	Small Cap Equity	Seeks long-term capital appreciation by investing primarily in the stocks of small companies.
<b>Small Cap Value</b>	Small Cap Equity	Seeks to provide maximum long-term return, consistent with reasonable risk to principal, by investing primarily in securities of small-capitalization companies.
<b>Small Cap Growth</b>	Small Cap Equity	Seeks to provide long-term capital growth through investments primarily in the equity securities of small companies with market caps not exceeding \$1.5 billion.
<b>Health Sciences</b>	Specialty	Seeks long-term capital growth through investments primarily in the common stocks of companies related to health care, medicine, or the life sciences.
<b>Science &amp; Technology</b>	Specialty	Seeks long-term capital appreciation through investments primarily in the common stocks of companies that are expected to benefit from the development of science and technology.
<b>Templeton Foreign</b>	International Equity	Seeks long-term capital growth by investing mainly in the equity securities of companies located outside the U.S., including emerging markets.
<b>Putnam Global Equity</b>	International Equity	Seeks capital appreciation by investing mainly in common stocks of companies worldwide.
<b>International Growth</b>	International Equity	Seeks capital growth through investments primarily in equity securities of issuers in developed foreign countries.

## Fidelity Investment Funds

Investment Fund	Investment Category	Description
<b>Retirement Money Market Portfolio</b>	Money Market	Primarily invests in U.S. dollar-denominated money market securities and repurchase agreements for those securities.
<b>Government Income</b>	Bond	Primarily invests at least 80% of its assets in U.S. Government securities and in instruments related to U.S. Government securities. The fund is managed to have similar overall interest rate risk to that of the Lehman Brothers Government Bond Index.
<b>Investment Grade</b>	Bond	Primarily invests at least 80% of its assets in investment-grade debt securities of all types, and in repurchase agreements for those securities.
<b>US Bond Index</b>	Bond	Primarily invests at least 80% of its assets in bonds included in the Lehman Brothers Aggregate Bond Index.
<b>Real Estate Investment</b>	Real Estate	Primarily invests at least 80% of its assets in equity securities of companies principally engaged in the real estate industry. Seeks to provide above-average income and long-term capital growth, consistent with reasonable investment risk.
<b>Asset Manager*</b> *Default Fund if no investment selection is made	Balanced	Seeks to provide a high total return with reduced risk over the long term by allocating its assets among stocks, bonds, and short-term instruments. The fund's investments will normally fluctuate around a neutral mix of 50% of assets in stocks (range from 30% to 70%), 40% of assets in bonds (range from 20% to 60%), and 10% of assets in short-term/money market instruments (range from 0% to 50%).
<b>Balanced</b>	Balanced	Primarily invests 60% of its assets in stocks and other equity securities, and the remainder in bonds and other debt securities, including lower-quality debt securities, when the outlook for the markets is neutral.
<b>Equity Income</b>	Equity Income	Primarily invests at least 80% of its assets in income-producing equity securities, which tends to lead to investments in large cap "value" stocks. Seeks to provide reasonable income. In pursuing this objective, the fund will also consider the potential for capital appreciation.
<b>Growth and Income</b>	Growth and Income	Primarily invests a majority of its assets in common stocks, with a focus on those that pay current dividends and show potential for capital appreciation.
<b>U.S. Equity Index</b>	Equity Index	Normally invests at least 80% of its assets in common stocks included in the S&P 500® Index, which broadly represents the performance of common stocks publicly traded in the United States.

Investment Fund	Investment Category	Description
<b>Spartan Extended Market Index</b>	Equity Index	Normally invests at least 80% of its assets in common stocks included in the Wilshire 4500 Completion Index, which represents the performance of stocks of small to mid-capitalization U.S. companies.
<b>Growth Company</b>	Large Cap Equity	Primarily invests in common stocks. The fund invests in companies that the manager believes have above-average growth potential. The fund may invest in securities of domestic and foreign issuers.
<b>Contra Fund</b>	Large Cap Equity	Primarily invests in common stocks. The fund may invest in securities of domestic and foreign issuers whose value the fund's manager believes is not fully recognized by the public. The fund may invest in "growth" or "value" stocks, or both.
<b>Capital Appreciation</b>	Large Cap Equity	Primarily invests in common stocks. The fund may invest in securities of domestic and foreign issuers. At any given time, the manager may tend to buy "growth" stocks or "value" stocks, or a combination of both types.
<b>Value</b>	Mid Cap Equity	Primarily invests in common stocks. The fund invests in securities of companies that possess valuable fixed assets or that the manager believes are undervalued in the marketplace in relation to factors such as assets, earnings, or growth potential.
<b>Small Cap Stock</b>	Small Cap Equity	Primarily invests at least 80% of its assets in common stocks of companies with small market capitalizations (those with market capitalizations similar to companies in the Russell 2000® Index or the S&P® Small Cap 600 Index).
<b>Small Cap Independence</b>	Small Cap Equity	Primarily invests in common stocks. Normally invests at least 80% of its assets in securities of companies with small market capitalization (those with market capitalization similar to companies in the Russell 2000® Index or the S&P® Small Cap 600 Index).
<b>Diversified International</b>	International Equity	Primarily invests in common stocks of foreign companies. Foreign investments, especially those in emerging markets, involve greater risk and may offer greater potential returns than U.S. investments.
<b>Spartan International Index</b>	International Equity	Normally invests at least 80% of its assets in common stocks included in the Morgan Stanley Capital International Europe, Australasia, Far East Index (MSCI EAFE Index) which represents the performance of developed stock markets outside the United States and Canada.

## TIAA-CREF

Investment Fund	Investment Category	Description
<b>CREF Money Market Account</b> *Default Fund if no investment selection is made	Money Market	Invests in a variety of short-term (less than one year) money market instruments.
<b>TIAA Traditional Annuity</b>	Stable Income	Invests in fixed-interest instruments. TIAA-CREF guarantees principal and a specified minimum interest rate.
<b>CREF Bond Market Account</b>	Bond	Invests in a variety of high to medium quality bonds with varying maturities.
<b>CREF Inflation Linked Bond Account</b>	Bond	Invests primarily in inflation-linked bonds issued by the U.S. government and in similar bonds issued by corporations and foreign governments. This account seeks a long-term rate of return that outpaces inflation.
<b>TIAA-CREF Real Estate Account</b>	Real Estate	Invests in direct ownership interests in existing or newly constructed income-producing properties, including office, industrial, retail and multi-family residential properties.
<b>CREF Social Choice Account</b>	Balanced	Invests in a mix of stocks, bonds and cash. Investment must meet certain social criteria.
<b>CREF Stock Account</b>	Equity Income	Invests in a large, diversified portfolio of stocks which may include stocks of foreign companies.
<b>CREF Growth Account</b>	Large Cap Equity	Invests in the stock of companies with above market expected growth rates. Investments are predominantly in stocks of companies with large capitalizations.
<b>CREF Equity Index Account</b>	Equity Index	Seeks to replicate the risk and return performance of the Russell 3000 Stock Index.
<b>CREF Global Equities Account</b>	International Equity	Invests in the stocks of companies throughout the world. The fund primarily invests in developed markets but also may consider emerging markets as an area of investment.

## Questions For Investment Company Representatives

To help you make this important financial decision, you should set up a time to talk with the representatives from each of the available investment companies. This is your opportunity to obtain information about each company and the funds it offers to help ensure you are comfortable with the investment company you choose and confident that the funds you select will help you achieve your investment goals.

You also may want to prepare a list of questions in advance to ask the investment company representatives to ensure that important information is covered in each meeting and to facilitate comparisons between the companies. Sample questions — along with a brief rationale for each question — are shown in the rest of this section.

## General Questions:

### **What other major organizations do you deal with?**

The answer to this question can give you an idea of how well-attuned the investment company is to the specific needs and interests of retirement plan participants in general, and more specifically, employees of educational institutions or hospitals.

### **What kinds of investments does your firm offer?**

If the investment company doesn't offer the kinds of investments in which you are interested, this probably is not the company for you. In addition, since it's possible that you may be investing through this company for a number of years, you may want to consider whether the full range of investment funds offered will continue to meet your needs and goals as they change over time.

### **What is your company's rating (e.g., through Standard & Poor's, Moodys, or A.M. Best)?**

If you are considering an investment through one of the insurance companies, the rating provided by these services can give you an idea of the firm's credit quality and stability.

### **May I split my investment among two or more of the funds you offer?**

This can be important if you want to diversify your investment among funds that vary in potential risk and return.

**Do you provide a toll-free telephone number for questions, account balance information, transfers between funds, or future changes?**

You may be more comfortable with an investment if it is easy to access information about it. In addition, the level of customer service offered by an investment company also can give you some insight into how important you are to that company.

**What investor education efforts can I expect from your firm?**

Ongoing education about investments can be an important and relatively easy way for you to become more knowledgeable and comfortable about your investment decisions. Many investment companies offer a variety of informational brochures, workbooks, worksheets and software to help you learn more about investing.

**What kinds of statements will I receive on the value of my account? How often will they be distributed?**

You may want to ask the representative to show you a sample statement, if one is available, and have the representative explain the information contained on it.

A fund's *portfolio manager* is a person or an organization made up of financial experts educated and experienced in the principles of investing and portfolio management. The job of a portfolio manager is to research and purchase investments that fit the fund's objectives — and sell those investments when the time is right.

## Fund-specific questions:

### **How long has this fund been in existence?**

It is important that a fund has demonstrated over time its capability to perform well under a variety of market conditions.

### **How long has the current portfolio manager managed this fund?**

A relatively new portfolio manager can sometimes signal a pending change in the fund — such as changes in earnings or investment objectives — that you may want to consider.

### **What are the investment objectives of this fund?**

What can you expect from this fund in terms of its approach to investing? Are you comfortable with how this fund will invest your money? How do the levels of potential risk and return feel to you?

### **How long has this fund had its current investment objectives?**

Similar to changes in portfolio managers, a recent change in the investment objectives of a fund can signal other changes you may want to consider. As a general rule, investment managers don't change the investment objectives if a fund is doing well.

### **What is the performance history of this fund (quarterly investment returns for the last five calendar years or, if shorter, since the fund's inception)?**

You may want to ask about current and historical results as well as trends — that is, how the fund has performed relative to other funds over a specified period of time. Keep in mind, however, that past returns are no guarantee of future performance.

For a different perspective on this information, you may want to ask what the value of your account would be today if you had invested a specified amount five years ago.

**What surrender/withdrawal charges apply to this investment? How are they charged (e.g., on the entire amount withdrawn or only on the amount attributable to contributions)? Under what circumstances will these charges be waived (e.g., termination of employment, death)?**

In other words, what will it cost you to get out of this investment if you change your mind or realize you've made a mistake? This can be very important — especially if you invest in an annuity product offered through one of the insurance companies.

**Is this investment listed in the newspaper or on-line?**

This applies only to the mutual fund investment options, because information about annuities generally is not listed.

*A surrender charge* is a fee the insurance company may require you to pay to cancel your investment contract.



# Enrollment Instructions

This section walks you through the retirement plan enrollment process step by step. Once you've decided between the University Pension Plan (UPP) and Oregon Public Service Retirement Plan (OPSRP), simply follow the enrollment instructions shown here and return your completed form(s) to the Human Resources Department Benefits Office at mail code HR.

## *Remember ...*

To choose the University Pension Plan you need to return your completed Retirement Plan Election Form and UPP investment company form to the Human Resources Department Benefits Office no later than the end of your eligibility enrollment period. If you choose OPSRP, your next opportunity to make a onetime switch to the UPP will be during any subsequent UPP annual transfer period held each November, for plan participation beginning the following January 1.

*Remember ...*  
If you choose  
the UPP, submit both the  
OHSU Retirement Plan Election  
Form and the investment  
company enrollment form.

## Completing your retirement plan election form step by step:

### Step 1 — Employee Information

- This section asks for basic information about you that is necessary to process your enrollment. Be sure to clearly print or type all requested information — including your name, social security number, date of birth, home address and daytime telephone number.

### Step 2 — Retirement Plan Selection

- Check the appropriate box to indicate whether you have elected to enroll in the UPP or OPSRP. If you check the UPP box, indicate your UPP investment company choice. When you've marked the boxes that correspond to these decisions, go to Step 3.

### Step 3 — Certification

- Sign and date your election form to indicate that you have read and understand the information provided to you on the form. Return your completed election form to the Human Resources Department Retirement Office at mail code HR no later than the end of the enrollment period.

# Sample Retirement Plan Election Form



## Retirement Plan Election Form New Enrollment

### 1. Employee Information

_____		_____	_____
Name		Social Security Number	Date of Birth
_____		_____	_____
Location	Department	Day Phone	Date
_____			
Home Address			

### 2. Your Retirement Plan (Choose One)

- I elect to enroll in the University Pension Plan (UPP).

Your UPP Investment Company choice (Choose One)

- AIG VALIC  
 TIAA-CREF Teachers Insurance and Annuity Association - College Retirement Equity Fund  
 Fidelity Investments

I understand that I must complete and return to the Human Resources Department Benefits Office all application and enrollment forms required by the investment company to begin participating in the UPP. This includes selection of investment funds and allocation of my Employer and Employee Contributions to the investment funds I have chosen. I understand that it is my responsibility to obtain investment fund information and forms from the investment company or the Benefits Office.

- I elect to enroll in Oregon Public Service Retirement Plan (OPSRP). Sign and date section 3 and return this form to the Human Resources Department Benefits Office. This option is not available if you have previously elected the UPP.

### 3. Certification

I understand that my decision to enroll in the UPP is an irrevocable choice that will be effective during my entire career with OHSU, including periods of re-employment. Signing this election form does not constitute a contract for employment or benefits.

I have reviewed the retirement plan options and have selected the retirement plan designated in section 2.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Please return this form to the Human Resources Department Benefits Office, mail code HR.  
 White: Employer      Yellow: Investment company      Pink: Employee

Human Resources Department  
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*Oregon Health & Science University includes four schools; two hospitals; numerous primary care and specialty clinics; multiple research institutes and centers; and several community service and outreach units.*

*OHSU is an equal opportunity, affirmative action institution.  
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