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Institution Note

To All Employees,

Please find below the first quarter update regarding the Defined Contribution Plan (DC Plan), as well as new options and improved cost structure.

DC Plan Statistics

DC Plan Assets – As of March 31, 2011, the assets in our DC Plan total \$18.2M and there are currently 820 participants.

Automatic Enrollment – As of January 1, 2011, the automatic enrollment feature commenced, which means that any new and existing employee who was not already contributing to the DC Plan at 4.0% or more was automatically enrolled to begin making their own contributions at the 4.0% level. Communications were sent out regarding this feature and employees were given the opportunity to opt out before their own employee contributions would begin on February 18, 2011. As a result, only 6% of employees opted out, meaning that 94% of our employee population is now actively saving for retirement.

DC Plan Improvements

Reduced Expense Ratios for the five (5) Vanguard Funds – In October 2010, because of increasing asset levels in the DC Plan and lower minimum asset requirements by Vanguard, we were able to convert four (4) of the five (5) Vanguard Funds in the DC Plan to less expensive share classes. Last week, the fifth Vanguard Fund, Vanguard Total International Stock Fund, was also converted to a lower share class. You can view the employee communications that were previously sent out regarding these changes by visiting the Human Resources Web site: <http://www.whoi.edu/HR/page.do?pid=44799>

Brokerage Window – In addition to the 18 funds in the DC Plan's Core Fund Line-up, participants in the DC Plan are also provided with access to a self-directed brokerage window through a Charles Schwab Personal Choice Retirement Account (PCRA). In the past, participants were limited in that they could only transfer up to 50% of their account balances with Diversified Investment Advisors into the PCRA. Effective immediately, however, participants will now be able to transfer up to 100% of account balances attributable to their own contributions. This feature allows participants greater choice and flexibility when managing the money they contribute to their accounts. For more information on the PCRA, please visit the Human Resources Web site: <http://www.whoi.edu/HR/page.do?pid=47280>

A New Retirement Planning Calculator from Diversified Investment Advisors (DIA) – The DIA website provides a number of calculators and retirement planning tools in addition to the RetireTrack tool, which helps project and change your retirement outlook. Many employees had asked for an additional calculator in which the rate of return could be changed for retirement projections. Working closely with DIA and their development team, a new tool is being created that will pull in much of the information already populated on RetireTrack (e.g.

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Defined Benefit estimates) and will allow users to choose their own rate of return. We expect to release the new calculator in the next couple of months.

RetireTrack – The RetireTrack tool provided by DIA allows participants to capture a comprehensive picture of all income and expenses they can expect in retirement. We have received feedback from some of you that you would like more information on how the RetireTrack calculator works and how benefits earned under the Institution’s Defined Benefit Plan are integrated into the calculation. In response to this, we have posted the following information on the Human Resources Web site: <http://www.whoi.edu/HR/page.do?pid=56236>

- An explanation of RetireTrack’s methodology, which utilizes a Monte Carlo simulation forecasting engine provided by Ibbotson Associates
- A case study that walks participants through a sample calculation integrating benefits earned under the Defined Benefit Plan
- An on-line tutorial that will walk participants through the RetireTrack tool

Retirement Education

Now that we have fully transitioned employees to the DC Plan, we will now begin our next phase to provide retirement educational training to employees. Working with DIA and our outside consultants, we plan to offer various educational and informational sessions to assist employees with a better understanding of their retirement plan along with ways to help employees in planning for and reaching their retirement goals. We expect to begin offering these educational sessions sometime this spring/summer. We are interested in hearing from you, so please let us know of any specific areas of interest you would like to learn more about in regards to your retirement planning needs.

Should you have any questions regarding the Defined Contribution Retirement Plan or these new features, more information can be found at the Human Resources Web site: <http://www.whoi.edu/HR/page.do?pid=40835>. Alternatively, you can contact me or a Benefits Specialist with your specific questions. If you have questions regarding your account with DIA, please contact DIA directly.

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