

Test your retirement IQ!

Take this quick quiz to see how you come out.

1. If I retire at age 65, I can expect to live _____ more years.
2. After I retire, I'll need \$_____ per month, in today's dollars, to live comfortably.
3. I am covered under Social Security. ____ Yes ____ No
4. I am covered under the Wisconsin Retirement System (WRS). ____ Yes ____ No
5. If covered, my WRS pension will be about _____ % of my salary while I was working.
6. After I retire the UW will pay \$_____ toward my health insurance premium.
7. I think I'll need more income than Social Security and WRS provide when I retire. ____ Yes ____ No
8. I understand my outside options to save for retirement:
 - Bank accounts, CDs
 - U.S. Savings Bonds
 - Traditional and Roth IRAs
 - Retirement accounts from past employment [401(k), etc.]
 - Wisconsin Deferred Compensation account
 - UW 403(b) TSA account
9. I think I am saving enough for retirement. ____ Yes ____ No
____ How can I tell?
10. My plan to add to my retirement savings *this year* is:
 - a. To hope I'll have a few extra dollars in a couple of months.
 - b. Not sure. I need to research my savings options.
 - c. To get started *this week* making regular contributions to a long-term savings plan.

How did you do? See page 3 for the answers.

TSA Review Committee news

The TSA Review Committee welcomes Qinghai Wang, Assistant Professor of Finance at UW-Milwaukee. Dr. Wang specializes in theories and empirical methods of securities trading, asset pricing and market micro-structure.

Qinghai Wang succeeds Richard Marcus, Associate Professor of Finance at UWM who served on the TSARC since 1998. Warm thanks to Dr. Marcus for his many contributions and best wishes for the future!



Qinghai Wang

Two current members, Kevin Bahr, Assistant Professor of Business and Economics at UW-Stevens Point and Ron Crabb, Professor in the UW-Whitewater Finance and

Business Law Department have graciously agreed to continue to serve and have been reappointed to new three-year terms.

The TSARC is a ten-member committee of faculty and academic staff appointed by the UW System president to provide oversight of the Program and advice on Program issues.

All members of the TSARC (listed on page 2) welcome your comments and suggestions about the Program.

The TSARC will meet in Madison on October 29. This meeting is open to the public. Contact manglim@uwsa.edu for more information. ■

Wondering about hidden costs?

With recent scrutiny of the mutual fund industry, the business press is full of articles about hidden costs in retirement plans.

The term covers many different arrangements: some, like account management or set-up fees and deferred sales charges, are disclosed, but often only in the fine print. Others, such as rebates from investment managers to consultants, affiliated firms, or employers; overpriced trading fees in return for research or equipment; or excessive marketing costs, are buried in the fund's annual report. Either way, employees are warned, hidden costs can significantly lower investment returns. Employers are cautioned to avoid unreasonable costs that could be a violation of the plan sponsor's fiduciary responsibilities.

Does the UW 403(b) plan have hidden costs? In general, no. While we cannot guarantee that all 400-plus funds in the plan are managed thriftily, we do avoid many of the most significant costs.

- The UW TSA Program does not receive reimbursements from its authorized vendors.
- It does not pay any fees to investment consultants or third party administrators.

- Sales charges and 12(b)-1 fees are not permitted.
- Your broker or financial advisor cannot receive a commission for selling you a mutual fund in the UW 403(b) Program (however, insurance agents from participating insurance companies can receive a commission, generated through the mortality and expense or surrender charges, for selling an authorized annuity product).

All of the costs you pay are regularly disclosed in our Investment Returns documents, on our web site www.uwsa.edu/hr/benefits/retsav/tsa.htm, and in our newsletter (see page 4 for current fee information).

Some charges are optional: you can avoid them by choosing investments that don't have them.

These include:

- **Account management fees.** Companies in the UW 403(b) Program are allowed to charge up to \$30 per year for services related to setting up and maintaining your account. Most companies have waived this fee.

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