



# Bay Area Rapid Transit (BART) Plan Enhancements

Submission Category: Plan Design & Administration; Participant Education/Effective Communication

The Bay Area Rapid Transit (BART) Investment Plans Committee (IPC) partnered with ICMA-RC, third party record keeper, to make improvements to the BART 457(b) Deferred Compensation Plan (voluntary contributions) and 401(a) Money Purchase Pension Plan (employer contributions).

Effective August 25, 2017, the enhancements were designed to:

- ▶ Make investment choices easier for participants using three investment paths.
- ▶ Offer participants more diversified investment options within the second tier “Help Me Do It” path.
- ▶ Increase transparency of plan fees and investment expenses.
- ▶ Provide education about the expanding options to help participants understand changes.

## Path 2 Investment Menu

BART offers three categories of investment paths to simplify participants’ retirement planning. The Path 2 “Help Me Do It” investment option is designed for the active investor who wants to have more control when it comes to retirement planning. As part of the plan enhancements, Path 2 transitioned to a lineup of five “fund of funds” options and the capital preservation fund in order to:

- ▶ Simplify your investment lineup.
- ▶ Increase diversification within each asset class.
- ▶ Reduce investment management fees where possible.

## Transparent Plan Fee and Investment Expenses

The BART IPC also implemented a new fee structure alongside the fund line-up changes to keep costs low for plan participants. Fee and expense enhancements included:

- ▶ Incorporating institutional pricing.
- ▶ Removing the revenue-sharing component which resulted in a more transparent fee structure.
- ▶ Implementing a new flat dollar fee amount per participant and per plan.

## RESULTS

Communications and education for the plan enhancements increased plan awareness and engagement, and spurred participants to take action. In the aftermath of the plan enhancements, BART saw the following results:

### 70% INCREASE

Enrollments in the 401 and 457 Plans in the third and fourth quarter of 2017. Enrollments also spiked in the first quarter of 2018, versus the same time period in 2016 and early 2017.

### 7% INCREASE

Contributions to the 457 Plan from 2016 to 2017, and over 11%, from 2015 to 2017 (includes participants with consecutive contributions during this time period).

### 34% INCREASE

Rollin assets to the 457 Plan from 2016 to 2017. Rollins surged by 400% during the communication and education campaign in the third and fourth quarter of 2017, versus the same time period in 2016.

### \$1 Billion

The BART Retirement Plans surpassed the threshold in plan assets during 2017.

### 22% INCREASE

Visitors to the BART website ([www.bartipc.org](http://www.bartipc.org)), from 3,575 page views in 2016 to 4,374 page views in 2017.



# Bay Area Rapid Transit (BART) Plan Enhancements

Communication and Education to Promote Enhancements

Communications regarding the enhancements were distributed across multiple channels and included:

**Enhancements Coming to BART Retirement Plans**  
Greater Diversification for "Help Me Do It" Investors

The BART Investment Plans Committee (IPC) is making improvements to the 457(b) Deferred Compensation Plan (voluntary contributions) and 401(a) Money Purchase Pension Plan (employer contributions) that will:

- Offer you more diversified investment options within the Path 2 investment menu
- Increase transparency of your plan fees and investment expenses
- Provide education about these enhancements to help you understand these changes

**What are the 457(b) Deferred Compensation Plan and 401(a) Money Purchase Pension Plan?**

**457(b) Deferred Compensation Plan:** You make contributions from each paycheck that are invested with the goal of generating even more savings for your retirement.

**401(a) Money Purchase Pension Plan:** BART makes contributions based on your compensation.

**What is the Path 2 investment menu?**

BART offers three categories of investment paths to simplify your retirement planning. The Path 2 investment options are designed for the active investor who wants to have more control when it comes to retirement planning. The current Path 2 investment menu offers 11 investment options.

**What changes are coming to the Path 2 investment menu?**

The Path 2 investment menu will transition into a lineup made up of five "fund of funds" (FOF) options and the capital preservation fund in order to:

- Simplify your investment lineup
- Increase diversification within each asset class
- Reduce investment management fees where possible

In a FOF lineup, funds are presented by their asset-class name. Each fund is made up of multiple funds tailored for the plan. The BART IPC understands that it can be challenging to make informed investment decisions, and these changes will help you achieve a more diversified portfolio. The existing three-path investment menu and upcoming changes are outlined below:

Path 1 "Do It For Me"	Path 2 <sup>1</sup> "Help Me Do It"	Path 3 <sup>2</sup> "Do It Myself"
Type Target Retirement Funds	Asset Class Funds	Self-Directed Brokerage Program
August 2017 Changes No change to lineup, however, the cost of these funds will be reduced by moving to a collective investment trust which reduces fees associated with revenue sharing alongside reducing investment expenses	<ul style="list-style-type: none"> <li>Simplified menu of FOF investments</li> <li>Increased diversification</li> <li>Reduced sharing fees, where unavoidable, will now be credited back to the participant</li> </ul>	No change

**Enhancements Are Coming to Your BART Retirement Plans**

Join us to learn about changes coming to your BART 401 and 457 Retirement Plans soon.

Plan enhancements include:

- more diversified investment options
- increased transparency of plan fees and investment expenses
- education to explain how these enhancements will help you achieve your retirement goals

Your BART Investment Plans Committee (IPC) invites you to attend a fund visit(s) or seminar to learn more about these changes. On the schedule to the right, look for this symbol to find the dates and times available for this presentation. Visit [bartipc.org](http://bartipc.org) to stay informed.

**Service Visit Schedule**

Meet with BART Counsel to learn how these new plan enhancements can help you get the most out of your BART retirement plans.\*

Date	Time	Location
Monday, August 1, 2017	9:00 a.m. – 5:00 p.m. Presentation: 3:30 p.m. – 4:30 p.m.	Concord Shop
Monday, August 7, 2017	9:00 a.m. – 5:00 p.m. Presentation: 3:30 p.m. – 4:30 p.m.	Daly City Shop
Monday, August 14, 2017	9:00 a.m. – 7:00 p.m. Presentation: 3:30 p.m. – 4:30 p.m.	Richmond Shop
Monday, August 15, 2017	2:00 p.m. – 7:00 p.m. Presentation: 2:30 p.m. – 4:30 p.m.	Hayward Shop**
Thursday, August 17, 2017	9:30 a.m. – 1:00 p.m. Presentation: 10:00 p.m. – 11:00 p.m.	Oakland Shop
Monday, August 21, 2017	9:00 a.m. – 2:00 p.m.	Millbrae Station/W440
Monday, August 28, 2017	10:00 a.m. – 2:00 p.m.	Metco Center
Wednesday, September 6, 2017	2:00 p.m. – 4:00 p.m.	Central Operations
Monday, September 11, 2017	2:00 p.m. – 7:00 p.m.	Richmond Transportation Yard
Monday, September 18, 2017	2:00 p.m. – 7:00 p.m.	Pittsburgh/Preppent Terminal Zone
Monday, September 25, 2017	9:00 a.m. – 2:00 p.m.	Concord Transportation Yard
Monday, October 2, 2017	2:00 p.m. – 7:00 p.m.	Daly City Transportation Yard
Wednesday, October 4, 2017	9:00 a.m. – 7:00 p.m.	Hayward Transportation Yard
Monday, October 9, 2017	2:00 p.m. – 4:00 p.m.	BART Police Power/15 Station
Monday, October 23, 2017	10:00 a.m. – 3:00 p.m.	Station Agents: Embarcadero to Civic Center
Monday, October 24, 2017	10:00 a.m. – 3:00 p.m.	Station Agents: Alhambra to Richmond

**Questions?**  
Contact your ICMARC Retirement Plans Specialist Panel Counsel at 866-620-6668 or via email at [retirement@icmarc.org](mailto:retirement@icmarc.org)

**ICMARC**  
INVESTMENT PLANS COMMITTEE  
RETIREMENT SECURITY

Participant Email — notified and explained enhancements.

Education Session Flyer — informed participants of education sessions related to the changes up to the effective date.



New BART Logo — refreshed logo raised BART brand awareness and drew attention to the plan enhancements.

**Bay Area Rapid Transit Retirement Plans**

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**CONGRATULATIONS!**  
TO BART FOR REACHING \$1 BILLION  
IN 401(a) AND 457(b) RETIREMENT PLAN ASSETS IN 2017!

Congratulations to BART for reaching \$1 Billion [WWW.BARTIPC.ORG](http://WWW.BARTIPC.ORG)

**Account Log In**  
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**Take Action Today**

- Enroll in the BART 457 Plan
- Increase Your Contributions
- Sign up for Roth 457 Contributions
- Register for an Appointment or Seminar
- Download the Mobile App
- Interactive Calculators

**News & Events**

- Welcome Ray!
- Start or Increase Your 457 Contributions Today!
- Needing Retirement? Take a Moment to "Click Up"

**Contact Your Representative**

**Susan Chang**, Retirement Plans Specialist (866) 620-6064 [BARTretirement@icmarc.org](mailto:BARTretirement@icmarc.org)

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**Bill Eagan**, CERTIFIED FINANCIAL PLANNER™ (866) 838-4716 [beagan@icmarc.org](mailto:beagan@icmarc.org)

Website Enhancements — responsive design and streamlined layout implemented to [www.bartipc.org](http://www.bartipc.org) showcased the plan enhancements.

