SUMMARY OF PROJECT - NAGDA 2026 LEADERSHIP RECOGNITION AWARD

CATEGORY: PLAN DESIGN & ADMINISTRATION

EMPLOYEES RETIREMENT SYSTEM OF TEXAS (ERS®) – Texa$aver QDIA Modernization: Transition to Nuveen Lifecycle Index Target Date Funds

Plan Profile:
As of March 12, 2026, the combined asset size of both the 401(k) and 457 plans is $6.6B in assets with a total participant count of 296,797 participants.

Background:
In May 2025, ERS modernized the Texa$aver plan's Qualified Default Investment Alternative (QDIA) by transitioning participants from the BlackRock LifePath® Portfolio Index Target Date Funds to the Nuveen Lifecycle Index CIT Series, Class B Target Date Funds. The change became effective after market close on May 16, 2025 and included both existing balances and future contribution elections for participants invested in the prior target date series.

This was a high-impact plan design and administration initiative because target date funds are the default investment option for newly hired state employees automatically enrolled in Texa$aver, and a significant share of plan assets are held in target date strategies, with approximately $1.5B in target date fund assets and nearly 229,000 participants at the time of the change.

In their own words

"The Employees Retirement System of Texas merits recognition for a 2026 NAGDCA Leadership Award in the Plan Design and Administration category due to its strong focus on participant outcomes throughout the modernization of its target date funds. By implementing a well-governed selection process, reducing costs, and executing a coordinated rollout and education strategy, ERS enhanced the Texa$aver program's default investment option for nearly 229,000 participants. The seamless transition completed without operational disruption reflects ERS's commitment to simplifying retirement investing, improving cost efficiency, and supporting long-term financial security for its members."

- **Nora Alvarado, Manager of Deferred Compensation Plans, Employees Retirement System of Texas**

Plan design enhancements:

- **QDIA upgrade:** Nuveen target date funds became the plan's new QDIA, strengthening the default investment path for automatic enrollment and long-term participants.
- **"Through" glidepath design:** The new series is built to continue adjusting allocations into and through retirement, aligning the default investment with participants' retirement income and longevity needs.
- **Structure improvement:** Adoption of the Nuveen Lifecycle Index CIT Series – Class B as the target date solution enhanced plan structure and governance outcomes.

Cost and value:

- **Fee reduction:** The target date fund expense ratio decreased from 0.08% to 0.05% (a 0.03% reduction). On approximately $1.5B in target date assets at the time of transition, this represents an estimated $450,000 annual reduction in participant investment expenses (illustrative estimate; asset levels fluctuate).

Execution Excellence and Participant Experience:
ERS and Empower executed a highly coordinated operational conversion and participant communication effort:

- **Operational success:** 100% of target date assets mapped to the new Nuveen target date funds; no errors or issues reported.
- **Proactive education on "target year may change":** Because the new target date series uses a "through" glidepath, some participants' target year changed. Communication materials proactively addressed this and explained how participants could confirm or adjust their fund if desired.
- **Multi-channel communication campaign:** Included web pop-ups, a key program news article, targeted emails, mailed letters, statement messaging, webinars, on-demand education video, a transition presentation, fund overview and FAQ flyers, and retirement plan advisor support.

Communications Reach and Engagement:

- The Implementation email sent April 8, 2025 to 136,181 participants had a **64%** open rate. Of those who opened the email **1886** participants clicked to attend a webinar.
- Fund change letter sent to **92,702** participants.
- **5 virtual group meetings** with **869** participants attending. These meetings were collaborative with Texa$aver, Empower, and Nuveen.
- On-demand video with **267 views**.

Written Justification - NAGDA 2026 LEADERSHIP RECOGNITION AWARD
CATEGORY: PLAN DESIGN & ADMINISTRATION
EMPLOYEES RETIREMENT SYSTEM OF TEXAS (ERS®) – Texa$aver QDIA Modernization: Transition to Nuveen Lifecycle Index Target Date Funds

1. **The Need: Strengthening the Default Investment Path at Scale**
   Texa$aver is a large, diverse governmental defined contribution program serving hundreds of thousands of public employees across Texas. Target date funds play an outsized role in participant outcomes because they are the default investment option for newly hired state employees who are automatically enrolled in the 401k plan, and they are widely used by participants who prefer a simplified, professionally managed approach with 85% of participants in the Texa$aver 401(k) plan and 32% of participants in the Texa$aver 457 Plan using the target date strategy.

   ERS identified an opportunity to strengthen the plan's default investment solution by upgrading the target date series used as the QDIA, ensuring the default investment better aligns with participant needs throughout the full retirement journey, while also improving overall plan structure and efficiency. ERS formally approved the change in December 2024 and executed the implementation effort January through May of 2025.

2. **What Changed: A Clear Plan Design Improvement (Not Just a Manager Swap)**
   ERS' initiative was intentionally framed as a plan design and plan administration enhancement, not merely a replacement of one investment manager with another. The changes included:

   A. **QDIA Enhancement**
   ERS updated the plan's QDIA to the Nuveen Lifecycle Index CIT Series – Class B, reinforcing that the plan's default investment is designed to be suitable for participants across different ages, savings levels, and retirement timelines, especially for participants who are automatically enrolled and may remain in the default investment for long periods.

   B. **"Through" Glidepath for Better Retirement Alignment**
   The new target date series offers a "through" glidepath, meaning the portfolio continues to evolve into and through retirement. This design supports participants who may remain invested in the QDIA after retirement begins and need a strategy designed for both accumulation and decumulation phases.

   C. **Methodology and Performance Net of Fees**
   ERS emphasized the selection factors most relevant to participant outcomes and fiduciary oversight, focusing on:
   - Glidepath approach ("through" retirement suitability)
   - Target date methodology and construction
   - Strong risk-adjusted performance considerations evaluated net of fees

   D. **Structural Improvement (CIT-Based Series)**
   The initiative also represented a structural improvement through adoption of the Nuveen Lifecycle Index CIT Series share class created for the plan, aligning with a plan sponsor's goals of strong oversight, operational fit, and cost efficiency.

3. **Administration and Implementation: Operational Precision with Minimal Participant Burden**
   A plan design improvement only succeeds if it is operationally executed with accuracy, clarity, and minimal disruption. ERS and Empower delivered a transition approach that prioritized participant continuity and confidence:

   A. **Automatic, Birth-Year-Based Mapping**
   Participants invested in the legacy target date funds were automatically mapped based on birth year into the appropriate Nuveen target date vintage. The conversion occurred after market close on May 16, 2025, and included both:
   - Existing balances in the legacy target date funds
   - Future contribution investment elections

   This design minimized participant burden and prevented gaps in investment direction.

B. **Successful Conversion at Scale**

The transition resulted in:

- 100% of target date fund balances mapping successfully to the new Nuveen target date series.
- No reported errors or issues, reinforcing strong administration controls, vendor coordination, and conversion readiness.

C. **Participants Retained Control and Flexibility**

Although the change was automatic for those invested in the legacy target date funds, communications repeatedly reminded participants that they retained the ability to:

- Reallocate balances and future contributions if they preferred another investment strategy
- Obtain support from a local salaried Retirement Plan Advisor or the Texa$aver service center

4. **Communication Strategy: Clear, Multi-Channel, and Proactive on Key Participant Questions**

For plan design changes affecting defaults, ERS and Empower prioritized communication that was both broad and targeted ensuring participants understood what was changing, why it was changing, and what (if anything) they needed to do. The Retirement Plan Advisors had specialized training with the Nuveen Portfolio Manager to ensure they deeply understood the differences when talking with participants.

A. **Sequenced Campaign (Awareness, Education, Action Readiness)**

The communication strategy began with early awareness and continued through implementation, including:

- Web pop-ups (pre-launch and updated pop-up with FAQ/webinar registration)
- A prominent program news article explaining the change and where to get help
- FAQ document addressing common questions and "what changes for me"
- Targeted emails and mailed letters timed ahead of the transition date
- Statement messaging (2Q2025) to reinforce awareness
- Webinars and an on-demand educational video
- A transition presentation and participant-friendly flyer
- Messaging support through advisor resources and ERS communication channels

B. **Engagement and Reach Demonstrate Participant Awareness**

The campaign achieved strong engagement among affected participants:

- The Implementation email sent April 8, 2025 to 136,181 participants had a **64%** open rate. Of those who opened the email **1886** participants clicked to attend a webinar.
- Fund change letter sent to **92,702** participants
- **5 virtual group meetings** with **869** participants attending. These meetings were collaborative with Texa$aver, Empower, and Nuveen.
- On-demand video with **267 views**

These results reflect a successful education effort that reached participants in multiple formats, enabling them to feel informed and supported.

C. **Proactive Education: "Your Target Year May Have Changed"**

A key participant-facing nuance was that because Nuveen uses a "through" glidepath, a participant's mapped target date year could change. The initiative addressed this proactively by:

- Explaining why the "through" glidepath design can lead to a different mapping outcome than the prior series
- Encouraging participants to confirm that the fund aligns with their expected retirement timeframe
- Providing clear instructions and access to no-cost Retirement Plan Advisor support for personalized education and guidance. This included specialized training by Nuveen's portfolio manager with the Retirement Plan Advisors.

This approach helped prevent confusion and supported participant trust.

5. **Measurable Outcomes: Lower Costs, Strong Governance, and Smooth Participant Experience**

ERS' initiative delivered meaningful measurable results:

- **Lower participant investment costs:** Expense ratio reduction from 0.08% to 0.05% (0.03% reduction).
- **Operational success:** 100% of target date assets mapped; no issues reported.

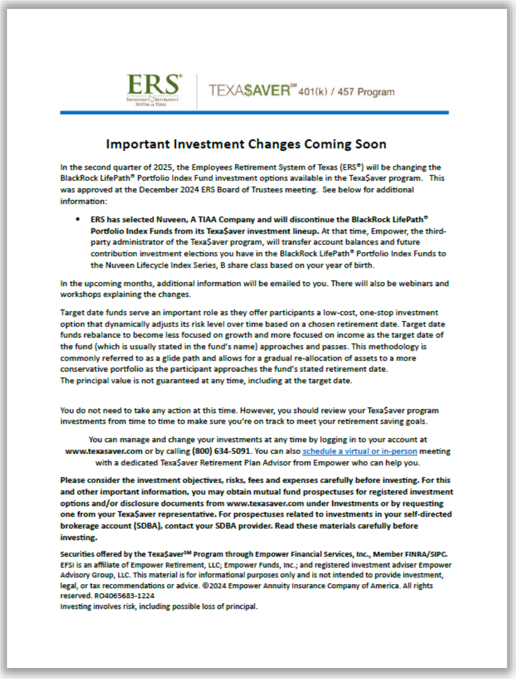
- **Scale and significance:** Texa$aver serves 296,797 participants and $6.6B in assets as of March 12, 2026 with target date funds representing a meaningful share of plan assets, approximately 23% or $1.5B across both the 401(k) and 457 at the time of the change.
- **Stable adoption:** No significant change in overall target date utilization, consistent with a transition that preserved participant confidence and continuity.

6. **Why This Merits Recognition (Plan Design & Administration)**

This initiative demonstrates excellence in plan design and administration because it:

- Strengthened the plan's default investment structure (QDIA) with a retirement-aligned glidepath
- Reduced costs in a way that can materially benefit participant outcomes over time
- Executed a large-scale investment mapping with high operational discipline
- Delivered a thoughtful, multi-channel communication strategy that anticipated participant questions and promoted advisor support
- Offers a replicable blueprint for other public plans modernizing their target date/QDIA approach
- Created a best practice project plan for future investment changes that engages multiple stakeholders within Texa$aver, Empower and the investment firm

Click here for PDF documents



ERS | TEXA$AVER℠ 401(k) / 457 Program

Important Investment Changes Coming Soon

In the second quarter of 2025, the Employees Retirement System of Texas (ERS®) will be changing the BlackRock LifePath® Portfolio Index Fund investment options available in the Texa$aver program. This was approved at the December 2024 ERS Board of Trustees meeting. See below for additional information:

- **ERS has selected Nuveen, A TIAA Company and will discontinue the BlackRock LifePath® Portfolio Index Funds from its Texa$aver investment lineup.** At that time, Empower, the third-party administrator of the Texa$aver program, will transfer account balances and future contribution investment elections you have in the BlackRock LifePath® Portfolio Index Funds to the Nuveen Lifecycle Index Series, B share class based on your year of birth.

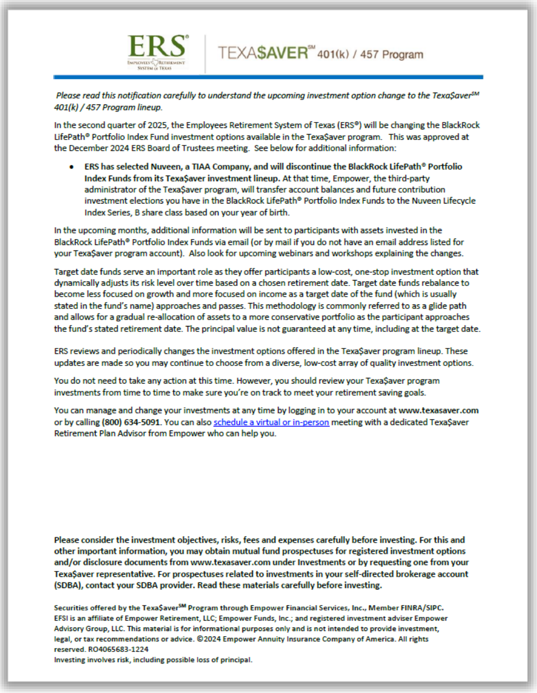
In the upcoming months, additional information will be emailed to you. There will also be webinars and workshops explaining the changes.

Target date funds serve an important role as they offer participants a low-cost, one-stop investment option that dynamically adjusts its risk level over time based on a chosen retirement date. Target date funds rebalance to become less focused on growth and more focused on income as the target date of the fund (which is usually stated in the fund's name) approaches and passes. This methodology is commonly referred to as a glide path and allows for a gradual re-allocation of assets to a more conservative portfolio as the participant approaches the fund's stated retirement date.
The principal value is not guaranteed at any time, including at the target date.

You do not need to take any action at this time. However, you should review your Texa$aver program investments from time to time to make sure you're on track to meet your retirement saving goals.

You can manage and change your investments at any time by logging in to your account at **www.texasaver.com** or by calling **(800) 634-5091**. You can also schedule a virtual or in-person meeting with a dedicated Texa$aver Retirement Plan Advisor from Empower who can help you.

Please consider the investment objectives, risks, fees and expenses carefully before investing. For this and other important information, you may obtain mutual fund prospectuses for registered investment options and/or disclosure documents from www.texasaver.com under Investments or by requesting one from your Texa$aver representative. For prospectuses related to investments in your self-directed brokerage account (SDBA), contact your SDBA provider. Read these materials carefully before investing.



ERS | TEXA$AVER℠ 401(k) / 457 Program

Please read this notification carefully to understand the upcoming investment option change to the Texa$aver℠ 401(k) / 457 Program lineup.

In the second quarter of 2025, the Employees Retirement System of Texas (ERS®) will be changing the BlackRock LifePath® Portfolio Index Fund investment options available in the Texa$aver program. This was approved at the December 2024 ERS Board of Trustees meeting. See below for additional information:

- **ERS has selected Nuveen, a TIAA Company, and will discontinue the BlackRock LifePath® Portfolio Index Funds from its Texa$aver investment lineup.** At that time, Empower, the third-party administrator of the Texa$aver program, will transfer account balances and future contribution investment elections you have in the BlackRock LifePath® Portfolio Index Funds to the Nuveen Lifecycle Index Series, B share class based on your year of birth.

In the upcoming months, additional information will be sent to participants with assets invested in the BlackRock LifePath® Portfolio Index Funds via email (or by mail if you do not have an email address listed for your Texa$aver program account). Also look for upcoming webinars and workshops explaining the changes.

Target date funds serve an important role as they offer participants a low-cost, one-stop investment option that dynamically adjusts its risk level over time based on a chosen retirement date. Target date funds rebalance to become less focused on growth and more focused on income as a target date of the fund (which is usually stated in the fund's name) approaches and passes. This methodology is commonly referred to as a glide path and allows for a gradual re-allocation of assets to a more conservative portfolio as the participant approaches the fund's stated retirement date. The principal value is not guaranteed at any time, including at the target date.

ERS reviews and periodically changes the investment options offered in the Texa$aver program lineup. These updates are made so you may continue to choose from a diverse, low-cost array of quality investment options.

You do not need to take any action at this time. However, you should review your Texa$aver program investments from time to time to make sure you're on track to meet your retirement saving goals.

You can manage and change your investments at any time by logging in to your account at **www.texasaver.com** or by calling **(800) 634-5091**. You can also schedule a virtual or in-person meeting with a dedicated Texa$aver Retirement Plan Advisor from Empower who can help you.

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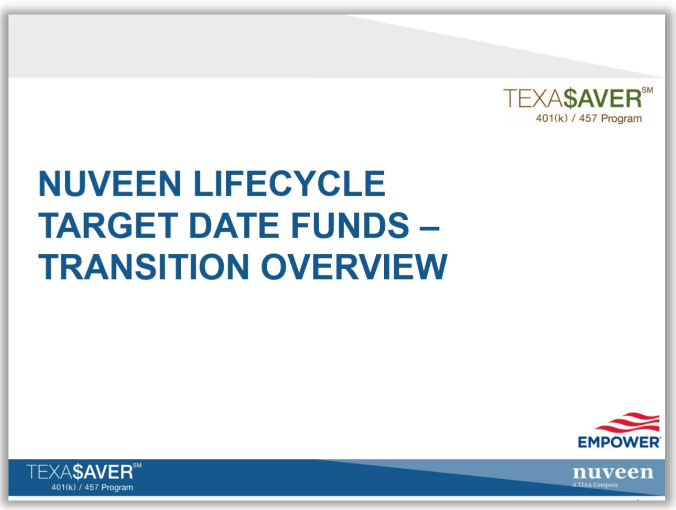

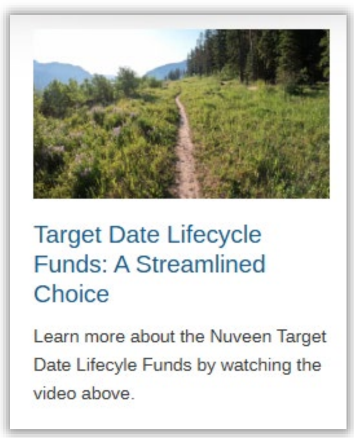

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TEXA$AVER℠
401(k) / 457 Program

April 8, 2025

RE: Important Investment Option(s) Updates

Please read this notification carefully to understand the upcoming investment option changes to your Plan. Your Texa$aver 401(k) / 457 Program is an important part of your long-term financial strategy. That is why the Employees Retirement System of Texas (ERS) regularly reviews and sometimes changes the plan's investment options so you may continue to select from a competitive range of investment options. As a result of a recent review, we are announcing the following plan changes:

- ERS will be discontinuing the BlackRock LifePath® Portfolio Index Target Date Funds available in the Texa$aver program and has selected Nuveen, a TIAA Company, for their Lifecycle Index CIT Series – Class B Target Date Funds.

A target date fund, also known as an "age-based" fund or "lifecycle" fund, is a long-term investment option that gradually adjusts asset allocations over time to become more conservative as your "target" retirement age approaches; however, the principal value of the fund is never guaranteed. The date in the name of the target date fund is the assumed date of retirement. These funds are a low-cost investment option that help take the guesswork out of deciding which investment approach is right for you.

Important information about fund mapping
If you have a balance in the BlackRock LifePath® Portfolio Index Target Date Funds or have future contribution elections directed to be invested in the fund(s), your current balance in the fund will be automatically transferred, based on your birth year, to the **Nuveen Lifecycle Index CIT Series –** Class B Target Date Funds at the close of market on **Friday, May 16, 2025** and any scheduled future contributions to the current fund will instead be invested in the **Nuveen Lifecycle Index CIT Series –** Class B Target Date Funds after that date. **You do not have to take any action for these transfers and future investments to occur.**

Discontinuing the following fund(s):

Fund Name(s)	Gross Expense Ratio*	Birth Year
BlackRock LifePath Index Retirement F	0.08%	12/31/62 or earlier
BlackRock LifePath Index 2030 F	0.08%	1/1/63 - 12/31/67
BlackRock LifePath Index 2035 F	0.08%	1/1/68 - 12/31/72
BlackRock LifePath Index 2040 F	0.08%	1/1/73 - 12/31/77
BlackRock LifePath Index 2045 F	0.08%	1/1/78 - 12/31/82
BlackRock LifePath Index 2050 F	0.08%	1/1/83 - 12/31/87
BlackRock LifePath Index 2055 F	0.08%	1/1/88 - 12/31/92
BlackRock LifePath Index 2060 F	0.08%	1/1/93 - 12/31/97
BlackRock LifePath Index 2065 F	0.08%	1/1/98 - 12/31/02
BlackRock LifePath Index 2070 F	0.08%	1/1/03 or later

Your existing balance and/or elections will automatically transfer to an age-appropriate Nuveen Lifecycle Index Target Date Fund at the close of business on **Friday, May 16, 2025**, based on your birth year as indicated in the below table.

TEXA$AVER℠
401(k) / 457 Program

Dear Participant,

Please read this notification carefully to understand the upcoming investment option changes to your Plan(s). Your Texa$aver 401(k) / 457 Program is an important part of your long-term financial strategy. That is why the Employees Retirement System of Texas (ERS) regularly reviews and sometimes changes the plan's investment options so you may continue to select from a competitive range of investment options. As a result of a recent review, we are announcing the following plan changes:

- ERS will be discontinuing the BlackRock LifePath® Portfolio Index Target Date Funds available in the Texa$aver program and has selected Nuveen, a TIAA Company, for their Lifecycle Index CIT Series – Class B Target Date Funds. This change will be effective after market close on Friday, May 16, 2025.

A target date fund, also known as an "age-based" fund or "lifecycle" fund, is a long-term investment option that gradually adjusts asset allocations over time to become more conservative as your "target" retirement age approaches; however, the principal value of the fund is never guaranteed. The date in the name of the target date fund is the assumed date of retirement. These funds are a low-cost investment option that help take the guesswork out of deciding which investment approach is right for you.

For more information on these changes, attend an upcoming webinar discussing the Nuveen Lifecycle Index CIT Series – Class B Target Date Funds.

Date	Time	Registration Link
April 16, 2025	10:00 — 11:00 A.M. CT	Click to register.
April 16, 2025	2:00 — 3:00 P.M. CT	Click to register.
May 12, 2025	10:00 — 11:00 A.M. CT	Click to register.
May 12, 2025	2:00 — 3:00 P.M. CT	Click to register.
May 21, 2025	10:00 — 11:00 A.M. CT	Click to register.

Questions?

Meet with a local Retirement Plan Advisor or contact a Texa$aver representative at **(800) 634-5091 (TTY: (877) 606-4790)** between 7 a.m. and 9 p.m. CT any business day or Saturdays between 8 a.m. and 4:30 p.m. CT.

Investing involves risk, including possible loss of principal.

Please consider the investment objectives, risks, fees and expenses carefully before investing. For this and other important information, you may obtain mutual fund prospectuses for registered investment options and/or disclosure documents from www.texasaver.com under Investing or by requesting one from your Texa$aver representative.

Securities offered by the Texa$aver℠ Program through Empower Financial Services, Inc., Member FINRA/SIPC. EFSI is an affiliate of Empower Retirement, LLC; Empower Funds, Inc.; and registered investment adviser Empower Advisory Group, LLC. This material is for informational purposes only and is not intended to provide investment, legal or tax recommendations or advice.

ERS
TEXA$AVER℠ 401(k) / 457 Program

Target Date Fund Change – Frequently Asked Questions (FAQ)

On May 16, 2025, ERS discontinued the BlackRock LifePath® Portfolio Index Target Date Funds available in the Texa$aver program and began offering Lifecycle Index CIT Series – Class B Target Date Funds from Nuveen, a TIAA Company. Below is a list of frequently asked questions about the change.

Overall Fund Change

What is a target date fund?
A target date fund, also known as an "age-based" fund or "lifecycle" fund, is a long-term investment option that gradually adjusts asset allocations over time to become more conservative as your "target" retirement age approaches. The date in the name of the target date fund is the assumed date of retirement. These funds are a low-cost investment option that help take the guesswork out of deciding which investment approach is right for you.

Why the change?
The Employees Retirement System of Texas (ERS) regularly reviews the Texa$aver 401(k) / 457 Program lineup to ensure the program offers a diverse menu of low-cost investment options that help participants meet their retirement goals. As a result, the ERS Board of Trustees approved a change to the current target date fund manager.

When did the transfer take place?
Empower, the third-party administrator of the Texa$aver program, transferred account balances in the BlackRock LifePath® Portfolio Index Funds to the Nuveen Lifecycle Index CIT Series – Class B after market close on May 16, 2025, based on a participant's birth year. This includes all future contributions.

When can I make changes to my target date fund investment allocations?
The Nuveen Lifecycle Index CIT Series – Class B were added to the menu close of market on May 16, 2025, and were available for changes after market close on May 16, 2025.

Why the change in companies?
The Employees Retirement System of Texas (ERS) regularly reviews the Texa$aver 401(k) / 457 Program's fund lineups. ERS approved the change from Blackrock to Nuveen due to the simple and effective use of six underlying low-cost passive index funds. Additionally, the "through" 30-year glidepath has broad suitability for Texa$aver participants. Nuveen's strong implementation track record and underlying methodology offers better past historic performance and lower fund expenses.

What's the difference in the new target date funds compared to the previous ones?
The Nuveen Lifecycle Index CIT Series – Class B provides a "through" retirement glidepath that continues to adjust the fund's asset allocation into and through retirement. This ensures your investment remains diversified and well-managed during retirement.

TEXA$AVER℠
401(k) / 457 Program

TARGET DATE FUNDS

MAKE A DATE WITH RETIREMENT

Dating can be complicated but investing with a Texa$aver 401(k) / 457 doesn't have to be. If you're looking for a straightforward way to invest for your retirement goals, a target date fund may be a good option for you.

WHAT IS A TARGET DATE FUND?

Think of a target date fund like your matchmaker for retirement. It's a fund that is a single, diversified option that pairs you up with the right investment strategy and evolves as your retirement date approaches. Most target date vehicles use a "fund of funds" strategy and invest in a portfolio of other investments. The asset allocation or mix of equity and fixed-income investments gradually adjusts from more aggressive to more conservative as the target retirement date approaches.

An important feature of any target date fund is its "glidepath," or how the asset mix moves over time as you near retirement. The glidepath design factors in the potential for returns as well as possible sources of investment risk. Through this strategy, a target date fund typically invests in a broad range of assets classes that can include equity, fixed income and alternatives, such as directly held commercial real estate.

EXAMPLE GLIDEPATH

1. DURING YOUR EARLY WORKING YEARS SPARKS FLY
The target date fund invests more heavily in equity investments to provide greater opportunity for asset growth.

2. SETTLING IN AS YOU APPROACH YOUR RETIREMENT DATE
The target date fund evolves over time to hold an increasing share of fixed-income investments to potentially lower risk and increase the stability of returns.

3. COMMITMENT DURING RETIREMENT
The target date fund continues to increase its share of fixed-income investments to further enhance stability and help meet income needs.

- - - Represents significant change to the glidepath or point of transition in retirement planning