

SUPPLEMENTAL RETIREMENT 403(b) PLAN SUMMARY

Employees may participate in the Supplemental Retirement 403(b) Plan which establishes individual annuity and/or custodial accounts for the purpose of supplementing Basic Retirement 401(a) Plan contributions.

Eligibility

Faculty and Staff, regardless of age, length of service, or benefits FTE, may participate in the Supplemental Retirement 403(b) Plan.

Effective Date of Participation

Participation is effective on the first day of the month following submission of the Supplemental Tax-Sheltered Annuity 403(b) Program Pre-Tax Salary Reduction/Roth Deduction Agreement and completion of the vendor online account application(s). The Supplemental Tax-Sheltered Annuity 403(b) Program Pre-Tax Salary Reduction/Roth Deduction Agreement (includes both a new or contribution change) must be received at the Campus Benefits Office by the last working day of the month in order for that contribution to start the following month. For example, a Supplemental Tax-Sheltered Annuity 403(b) Program Pre-Tax Salary Reduction/Roth Deduction Agreement that is received by February 28 will be effective March 1. A Supplemental Tax-Sheltered Annuity 403(b) Program Pre-Tax Salary Reduction/Roth Deduction Agreement that is received on March 1 or later will be effective April 1.

Contributions to the Plan

Supplemental Retirement 403(b) Plan contributions are withheld each pay period as a percent of compensation or a flat dollar amount (\$200 annual minimum) up to the Internal Revenue Service maximum allowance. Contributions made to the Supplemental Retirement 403(b) Plan are withheld on a voluntarily basis.

- *Traditional 403(b) Contributions*

Traditional 403(b) contributions are made on a pre-tax basis and are not included in current taxable income. The pre-tax contributions and any earnings will be subject to income taxes when withdrawn.

- *Roth 403(b) Contributions*

Roth 403(b) contributions are made on an after-tax basis and are included in current taxable income. Earnings are tax free if they are part of a "qualified distribution." A qualified distribution is one that is taken at least 5 tax years from the year of the first Roth 403(b) contribution and after the participant attains age 59½, becomes disabled or deceased.

Elective Deferral Limits

Section 402(g) of the Internal Revenue Code provides annual elective deferral limitations on contributions to the Supplemental Retirement 403(b) Plan. There are three deferral limitation levels applicable to employees. These tax shelter maximums may not apply to every employee.

- 402(g) limit
- 414(v)(2) catch-up limit for employees age 50 and over
- 402(g)(7) limit for employees with 15 years of service or more

If you do have retirement contributions made on your behalf by a business where you have a more than 50% ownership interest, these contributions must be aggregated with your contributions to the 403(b) Plan for purposes of complying with the Code Section 415(c) limit. Please contact your campus benefits office to be sure you have not exceeded IRS contribution limits.

Vesting

All contributions are vested immediately upon participation.

Contribution Allocation

Employees may allocate contributions among or between TIAA and Fidelity Investments in any whole-number percentage, including full allocation to any option. Once participation begins, allocation changes of future premiums may be made at any time by contacting the respective investment company.

Investment Alternatives

Participants may invest contributions with TIAA or Fidelity Investments. Both retirement plan investment companies are committed to offering a wide range of investment options while providing the educational resources to help plan for a successful retirement.

Participants may invest retirement plan contributions among the following categories.

- Money Market
- Bonds (Fixed Income)
- Stocks (Equities)
- Guaranteed Annuity
- Lifecycle Funds

More detailed information is available from TIAA and Fidelity Investments.

Transfer of Funds

Supplemental Retirement 403(b) Plan funds may be transferred among or between TIAA and Fidelity Investments at any time.

Rollover of Funds to the University's Supplemental Retirement 403(b) Plan

Employees may rollover funds from another employer's retirement plan to the university's Supplemental Retirement 403(b) Plan. Funds from an IRA (personal or conduit) may not be rolled over into the Supplemental Retirement 403(b) Plan.

Access to Funds during Active Employment

As required by governing law, employees generally are not permitted to receive a distribution from University of Nebraska retirement plans including the Basic Retirement 401(a), Supplemental Retirement 403(b) Plan, and Deferred Compensation 457(b) while actively employed by the university in any full-time, part-time, temporary, oncall, etc., position. Active employees who have attained age 59½ may access Supplemental Retirement 403(b) Plan accumulations. Accumulations may however, be accessed after termination of employment. Unless the distribution is rolled over to an eligible retirement plan, funds received from the retirement plans are taxable. In some cases, a 10% excise tax will be assessed. Participants should seek competent tax advice before receiving a distribution.

The university will only approve retirement plan distributions for those retired and/or separated employees where there is no expectation or pre-planned agreement of future employment by the university. To assure compliance, a separated employee who receives a retirement plan distribution may not be reemployed by the University of Nebraska in any paid position for a period of 12 months from date of separation. This includes any full time, part time, temporary, or oncall employment.

Retirement Plan Contacts

- TIAA (800) 842-2776
- Fidelity Investments (800) 343-0860