



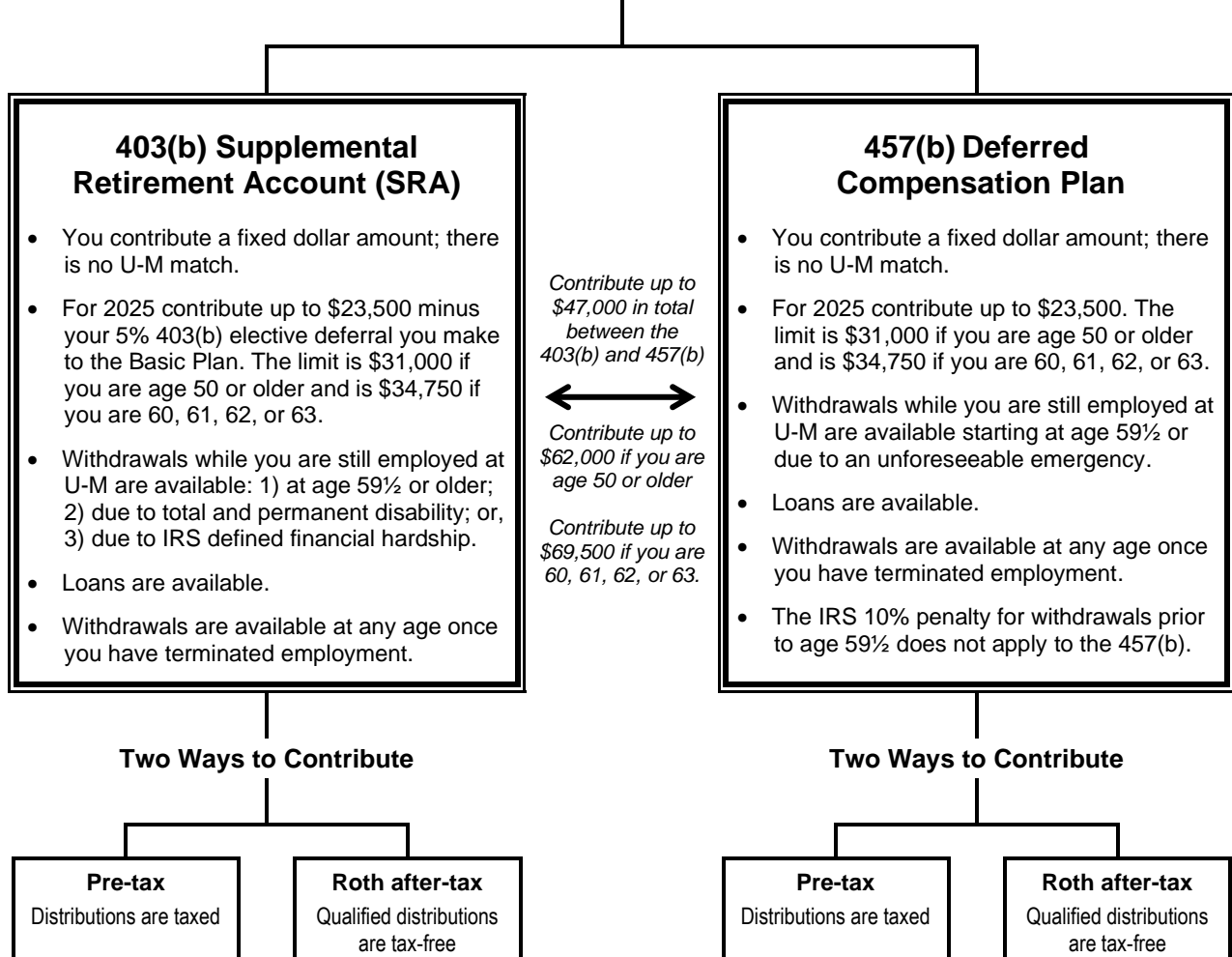
U-M Retirement Savings Plans

Your Guide to Saving for Retirement at U-M

Basic Retirement Plan: Receive the Two-for-One Match

- The U-M Basic Retirement Plan is a governmental, non-ERISA 403(b) and 401(a) plan with immediate vesting.
- You may enroll at any time. You contribute 5% of your salary on a tax-deferred basis. U-M contributes 10% after you have completed one year of service and you are enrolled in the plan.
- Regular faculty and staff, LEO I-IV and LEO Intermittent with a 1% or greater appointment lasting four months or longer may enroll; supplemental (Adjunct, LEO Adjunct, Visiting and Clinical I titles) may enroll with a 50% or greater appointment lasting four months or longer.
- The Basic Plan does not offer loans. Withdrawals of your 5% 403(b) amounts are available while employed due to total and permanent disability, if you have an IRS defined financial hardship, or at age 59½ or older.
- Cash withdrawals and rollovers are available at any age upon termination of employment.

Save More with the 403(b) SRA and 457(b)



How to Enroll as a New Hire

The Basic Retirement Plan offers a two-for-one matching contribution, while the 403(b) SRA and 457(b) allow you to save more for retirement. You may enroll in any one plan or any combination of plans as a new hire or throughout the year. You may choose from over 200 investment funds available through TIAA and Fidelity Investments.

You may enroll in the Basic Retirement Plan using Wolverine Access when you select your other benefits such as medical and dental as a new hire. You need to create a separate retirement enrollment event for the 403(b) SRA and 457(b). Each enrollment event is processed overnight after you enter your elections; allow up to 24 hours between enrolling in the Basic Plan and the enrolling in the 403(b) SRA and 457(b). Your U.S. Social Security Number must be on file with Wolverine Access or your contributions will be rejected.

When you complete the online enrollment process a notice will be sent to TIAA and/or Fidelity to create your account(s) for the Basic Retirement Plan, 403(b) SRA and/or 457(b). You will need to follow up with TIAA and/or Fidelity to select your investment funds and designate your beneficiary.

EFFECTIVE DATE – The Basic Retirement Plan, 403(b) SRA, and 457(b) can take effect in the current month if your enrollment is completed by certain deadlines. For information on deadlines, synchronizing your plan enrollments to take effect with a specific paycheck and enrollment instructions visit: hr.umich.edu/retirement-enroll-deadlines

IF YOU ARE A REHIRE – If you have an existing U-M account for the type of plan in which you are enrolling, it will continue to be used and a new account will not be created. Be sure your name, address, beneficiary and investment funds with TIAA and/or Fidelity Investments are correct; they may have become outdated since your previous employment with the university. If you are a rehired retiree, you will need to complete a paper form to enroll. Please contact the SSC Contact Center at 734-615-2000 to request a form.

1. Enroll in the Basic Retirement Plan

You may select the Basic Retirement Plan enrollment option while you are choosing other benefits like medical and dental as part of the new hire enrollment event. Indicate how much of your contribution and the U-M contribution (when you are eligible) to invest with TIAA and/or Fidelity. You may change how much you allocate to either investment company or enroll in the Basic Retirement Plan throughout the year by creating an enrollment event (see step 2).

- Go to wolverineaccess.umich.edu, select **Benefits Self-Service** and log in, select **Retirement Self Service** on the Benefits Enrollment page. Select **Initiate Ret Savings Elections** and follow the screen prompts.

2. Enroll in the 403(b) SRA and/or 457(b)

You contribute a fixed dollar amount to the 403(b) SRA and/or 457(b) and you may choose to contribute as traditional pre-tax, Roth after-tax, or any combination of both if you want to save more for retirement. You need to create a separate event to enroll in these plans since they are not part of the new hire event that you use to enroll in the Basic Retirement Plan. You may also enroll in, or make changes to any retirement plan throughout the year by creating an enrollment event as follows:

- Go to wolverineaccess.umich.edu, select **Benefits Self-Service** and log in, select **Retirement Self Service** on the Benefits Enrollment page. Select **Initiate Ret Savings Elections** and follow the screen prompts.

3. Select Your Funds & Designate Your Beneficiary

Your beneficiary and investment fund for the Basic Retirement Plan, 403(b) SRA and 457(b) will be a default until you take action to change them. You can do this through the TIAA and Fidelity websites listed in this packet.

DEFAULT INVESTMENT FUND – The fund default is an age-appropriate Lifecycle Index Fund if you select TIAA and a Freedom Index Fund if you select Fidelity Investments. If you do not have a U.S. Street mailing address, the default investment fund for TIAA will be CREF Money Market.

DEFAULT BENEFICIARY – For both TIAA and Fidelity the default beneficiary will be according to the person or persons surviving you in the following order: a) spouse, b) children, c) parents, d) brothers or sisters, e) personal representative (executor or administrator).

IMPORTANT – You need to make your fund and beneficiary designations for each type of plan in which you enroll and for each investment company you select. For example, if you enroll in the Basic Retirement Plan and the 403(b) SRA with TIAA you need to designate your fund choices and beneficiary for each plan even though both are with the same company.

BASIC RETIREMENT PLAN CONTRIBUTION

New hire and newly eligible faculty and staff must complete 12 consecutive months of eligible service to become eligible for the university contribution to the Basic Retirement Plan.

- Eligible faculty and staff contribute 5% of salary; U-M provides a 10% matching contribution subject to fulfilling the waiting period.
- Individuals subject to a collective bargaining agreement should consult with the terms of the agreement to confirm the contribution rate. The contribution waiting period also applies to collective bargaining agreements.

ROTH 403(b) SRA & ROTH 457(b)

You may save more for retirement through the 403(b) SRA and 457(b) by making contributions as pre-tax, after-tax Roth, or any combination of both. Roth contributions are taxed when taken from your paycheck but offer the incentive that qualified distributions are tax-free when made after a 5-taxable-year period of participation **and** is either made on or after the date you attain age 59½, made after your death, or attributable to your being disabled. In contrast, pre-tax contributions are not subject to income tax when deducted from your paycheck but are taxed when you take a distribution.

After-tax Roth 403(b) SRA and Roth 457(b) plans are exempt from minimum distribution, allowing you to postpone distributions indefinitely during your lifetime and you can even pass assets tax-free to your heirs.

Who may benefit from a Roth 403(b) or Roth 457(b)?

- Those not eligible for a Roth IRA due to IRS income restrictions which do not apply to the U-M Roth plans.
- Young faculty and staff who have a long retirement horizon that will allow time to amass significant tax-free assets.
- Those who believe their income tax rates will rise in the future.
- Those who want tax diversification of having both after-tax and tax-deferred assets as a hedge against potential tax increases.

COMPULSORY PARTICIPATION

You may enroll in the Basic Retirement Plan at any time. Participation is compulsory for faculty and staff at age 35 or older, who have a 100% appointment, and have at least two years of eligible service. If you are not participating in the Basic Retirement Plan once you meet all three criteria, you will be enrolled, and the contribution rate will be the Reduced Benefit Option.

Under the Reduced Benefit Option on earnings below the FICA wage base you do not contribute, and the U-M contribution is 5% instead of 10%. The two-for-one contribution rate applies on earnings exceeding FICA. You may change between participating at the Reduced Benefit Option and the full matching rate anytime.

DO YOU HAVE ANOTHER RETIREMENT PLAN?

Elective deferrals you make to another retirement plan in the same calendar year will reduce how much you may contribute to the Basic Retirement Plan and the 403(b) SRA. These include the following types of plans:

- Federal Thrift Savings Plan (ex. if you are a VA Rotator)
- 403(b)
- 401(k)
- 408(k)(6) SARSEP
- SIMPLE (Savings Incentive Match Plans for Employees)

If you have already made contributions to these plan types during the year, you may have limited ability to save through the U-M 403(b) SRA and the Basic Retirement Plan. If this is the case, consider the 457(b) as an option to make additional contributions to save for retirement. Also, 457(b) elective deferrals you make at another employer will reduce how much you contribute to the 457(b) at U-M.

Contributions made to certain plans also reduce the amount you may contribute to the U-M plans. These include certain plans with respect to self-employment income, another 403(b) plan outside of the U-M plans, or certain types of plans sponsored by a corporation, partnership, or sole proprietorship in which you have more than a 50% ownership interest.

Visit: benefits.umich.edu/plans/retire/irc415.html

Consult with a tax advisor to ensure you do not exceed the IRS contribution limits. Contact the Benefits Office if you have questions on how much you may contribute to the U-M plans.

DIRECT TRANSFERS

You may transfer accumulations between TIAA and Fidelity at any time, but you must have an account at the company who will receive the transfer. The transfer application **does not** create your account, which you must do as a separate action. A transfer only moves existing balances. You will need to direct future contributions to the newly chosen investment company, or they will continue to be deposited with your current company.

Visit: hr.umich.edu/benefits-wellness/financial/retirement-savings-plans/moving-money-between-fidelity-tiaa

ROLLOVERS INTO U-M

You can rollover assets from another employer's retirement plan into TIAA and/or Fidelity to consolidate your assets alongside your U-M retirement plan accounts, and it provides you a single quarterly statement. You will have access to the low-cost share class of mutual funds that are available through the U-M plans. Assets you roll into any of the U-M plans are available for withdrawal while you are working for the university or after you terminate employment. In addition, the 403(b) SRA and 457(b) plans also offer the option to take a loan on your account.

Visit: hr.umich.edu/retirement-plan-rollovers-direct-transfers

SELECT YOUR FUNDS & BENEFICIARY

The enrollment process will default your investment fund and your beneficiary for each plan in which you enroll. You may change these at any time after your account has been created, for example, after you receive the welcome packet from the company. You may also create your account online through the TIAA and Fidelity websites listed below. You need to make your designations for each type of plan in which you enroll and for each investment company you select. For example:

- *You enroll in the Basic Retirement Plan with TIAA and designate your fund choices and beneficiary.*
- *You enroll in the 403(b) SRA with TIAA.*
- *You will need to designate your fund choices and beneficiary again, this time for the 403(b) SRA even though it is with the same company as the Basic Retirement Plan.*

TIAA

Online

You can create your account, select your investment funds and designate your beneficiary online at any time instead of waiting for your welcome packet by going to: TIAA.org/umich

- Select “**Enroll Now**”
- Click on the type of plan for which you are creating an account: Basic Retirement Plan, 403(b) SRA, 457(b).
- Follow the online prompts and enter your selections.

By Phone

Call TIAA at 1-800-842-2252, Monday through Friday from 7 a.m. to 9 p.m. and Saturday from 8 a.m. to 5 p.m. (CT). A consultant will help you make the appropriate beneficiary designations for your retirement planning needs and record your investment fund selections.

FIDELITY INVESTMENTS

Online

You can create your account, select your investment funds and designate your beneficiary online at any time instead of waiting for your welcome packet by going to: netbenefits.com/uofm

- Select “**Enroll**”
- Click on the type of plan for which you are creating an account: Basic Retirement Plan, 403(b) SRA, 457(b).
 - **NOTE:** *You will need to open an account under two different plans for the Basic Retirement Plan. Open an account under **401(a) Base Plan 86503** for the U-M contribution and open an account under **403(b) Base Plan 72104** for your contribution.*
- Follow the online prompts and enter your selections.

By Phone:

Contact a Fidelity Retirement Services Specialist by calling 800-343-0860, Monday through Friday, 8:00 a.m. to midnight, Eastern time if you have questions or need assistance.

THE DEFAULT INVESTMENT FUND

A TIAA Lifecycle Index Fund or Fidelity Investments Freedom Index Fund is a mutual fund that is a diversified portfolio of other mutual funds offered by that company, essentially a fund of other funds. This includes domestic and international stock funds, bond funds, and money market funds. Each Lifecycle Index or Freedom Index Fund automatically selects the allocation of stock, bond, and money market funds that are appropriate for a target retirement date of approximately age 65.

The Lifecycle Index and Freedom Index Funds gradually adjust over time to become more conservative by decreasing the underlying equity holdings and increasing the fixed income holdings as the fund’s target retirement date nears. The gradual shift into fixed income from equities provides the potential for growth while reduces volatility as the retirement date approaches.

TIAA Lifecycle Index and Fidelity Freedom Index Funds are actively managed; however, the underlying mutual funds within each portfolio are index mutual funds. An index fund is a passive investment strategy that aims to replicate the movements of a specific benchmark that are held constant, regardless of market conditions. Using underlying index funds are a lower cost option to meet your retirement savings goals.

Your date of birth will be included in the enrollment notice sent to your chosen investment company. This will determine the specific Lifecycle Index or Freedom Index Fund into which you will be enrolled.

Lifecycle Index and Freedom Index Funds provide a simple solution if you lack the time, confidence, or investment knowledge to create and manage a well-diversified portfolio. Each fund is professionally managed and provides you with a simple, single investment fund.

LIMITS ON CASH WITHDRAWALS AND ROLLOVERS

Basic Retirement Plan

Withdrawals of your 5% 403(b) amounts are available while employed due to total and permanent disability, if you have an IRS defined financial hardship, or at age 59½ or older. Cash withdrawals and rollovers are available at any age upon termination of employment.

403(b) SRA

Cash withdrawals and rollovers are available upon termination of employment at any age and at age 59½ or older while you are still employed at U-M. Withdrawals due to total and permanent disability and financial hardship that meet IRS qualifications are also available while employed.

457(b)

Cash withdrawals and rollovers are available upon termination of employment at any age. Withdrawals while you are still employed at U-M are available starting at age 59½ or due to an unforeseeable emergency.

Loans

Loans are available for both TIAA and Fidelity as an active faculty or staff member in the 403(b) SRA and the 457(b) but not from the Basic Retirement Plan. Loans are only available from Fidelity once you have terminated employment.

TIAA

What is TIAA?

TIAA is the nationwide retirement and financial services system for people who work at more than 15,000 colleges, universities, independent schools, and other nonprofit education, hospital and health care, and research institutions throughout the United States. In fact, the University of Michigan was the first in the nation to offer TIAA in 1919.

TIAA has the highest rating for insurance financial strength from all four major rating agencies: Moody's; S&P; Fitch; A.M. Best.

What are my investment choices?

The investment fund is automatically defaulted to an age-appropriate TIAA Lifecycle Index Fund. You may change this at any time. TIAA offers more than 40 fund choices, including mutual funds, and fixed and variable annuities. Domestic and international stock funds, bond funds, money market funds and real estate funds are available, along with a guaranteed fixed annuity and socially responsible funds. Several Vanguard funds are also available.

TIAA Institutional Class Mutual Funds

All TIAA mutual funds available through the University of Michigan plans are offered under the Institutional share class. This is the share class with the lowest management fees and expenses TIAA offers. The Institutional share class charges 25 basis point ($\frac{1}{4}$ of a percent) less in expenses than the Retirement share class that is typically offered through most employers. The lower fees mean more of your money remains in your account to work toward your financial future, and your retirement account balances have more earning potential.

Where can I find more information?

Visit: TIAA.org/umich

You can schedule an appointment with a TIAA investment professional by calling **1-800-732-8353**

Fidelity Investments

What is Fidelity Investments?

Fidelity Investments was founded in 1946 by Edward C. Johnson II and today is the largest mutual fund company in the world. Fidelity is one of the nation's top providers of 403(b) retirement savings plans for not-for-profit organizations, including colleges and universities, healthcare institutions, foundations, and charitable organizations.

What are my investment choices?

The investment fund is automatically defaulted to an age-appropriate Freedom Index Fund. You may change this at any time. Fidelity Investments offers over 200 mutual funds, including domestic and international stock funds, bond funds, money market funds and real estate funds. In addition, the Select Portfolio Funds allow you to invest in highly specialized sectors of the economy. Several Vanguard funds are also available.

Fidelity Freedom Index Funds: Premier Class

The Fidelity Freedom Index Funds available through the University of Michigan plans are offered under the Premier share class. Premier class is the share class with the lowest management fees Fidelity offers for the Freedom Index Funds. The low fees mean that more of your money goes to purchasing investments and you keep a higher percentage of the potential returns generated, which can help you reach your retirement goals faster.

Fidelity Class K and K6 Funds

Several Fidelity funds are offered at the Class K and K6 shares. These include funds like Blue Chip Growth, Contrafund and Magellan, among others. These funds have lower fees and expenses but have the same investment strategy as their non-Class K and non-K6 counterparts.

Where can I find more information?

netbenefits.com/uofm

You can schedule an appointment with a Fidelity Investments professional by calling **1-800-642-7131**

TAKE CHARGE

Review your paystub and quarterly statements; meet regularly with TIAA and Fidelity to review your savings goals and rebalance your portfolio; keep your name, address, and beneficiary updated; periodically increase your 403(b) SRA and 457(b).



Set up a meeting and start planning with confidence.

As part of your University of Michigan retirement plan benefits, you have access to TIAA Financial Consultants at no additional cost to you! They are familiar with the University of Michigan plan rules and investments, and they can help you determine if you're:



Saving enough

In addition to saving in the University of Michigan Basic Retirement Plan, you can choose to contribute to the 403(b) Supplemental Retirement Account and/or the 457(b) Deferred Compensation Plan.



Invested appropriately*

You can invest using pre-tax and/or Roth (after-tax) contributions - see which option is best for you. Financial Consultants can also recommend investments* available in the retirement plan.



On track

As life changes, your goals can too. Financial Consultants are available to meet with you periodically, and make updates as needed.



Take advantage of this valuable service, available at no additional cost as part of your University of Michigan retirement plan benefits.

Schedule time with a TIAA Financial Consultant today

Visit tiaa.org/schedulenow or call **800-842-2252**, weekdays, from 8 a.m. to 10 p.m. (ET).

TIAA Financial Consultants offer convenient access

You can meet in person at various campus locations or at the local Ann Arbor office, by appointment. Consultants also are available to meet virtually via Zoom, or by phone.

*Based on independent third-party advice methodology.

This material is for informational or educational purposes only and is not fiduciary investment advice, or a securities, investment strategy, or insurance product recommendation. This material does not consider an individual's own objectives or circumstances which should be the basis of any investment decision.

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**Meet with your
U of M Fidelity
Workplace Financial
Consultants**

Your University of Michigan retirement benefits offer opportunities to save through three plans aligned with Fidelity Investments:

- The U-M Basic Retirement Plan
- The 403(b) SRA Plan
- The 457(b) Deferred Compensation Plan

U-M works with a dedicated team of Fidelity specialists to offer education about these plans and additional financial matters. Fidelity is well-versed in all aspects of U-M's retirement savings plans.

Fidelity can help you:

- ✓ Review your overall retirement savings portfolio to maximize the U-M Plans.
- ✓ Evaluate your investment choices and asset allocation to develop a comprehensive investment strategy for you.
- ✓ Discuss strategies to protect your assets and future income.
- ✓ Determine if you are on track to meet your retirement goals or help you establish your goals.
- ✓ Consolidate retirement plan accounts into your U-M Plan.

Meeting with Fidelity is completely complimentary and included as part of your U-M Plan Benefits. Meet with us by phone, in-person, or through video conference.

[Schedule your Complimentary Appointment online today!](#) Or call 800-642-7131.

Any and all correspondence to Fidelity, including transfers of assets from TIAA to Fidelity should be sent to: Fidelity Investments, PO Box 770002, Cincinnati, OH 45277-0090.

Investing involves risk, including risk of loss.

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