



THE UNIVERSITY OF CHICAGO 457(B) DEFERRED COMPENSATION PLAN



THE UNIVERSITY OF
CHICAGO

Human
Resources

The University of Chicago is committed to helping you build financial security for retirement. The Retirement Program is made up of several components, including the 457(b) Deferred Compensation Plan, or the 457(b) Plan.

We encourage you to take some time and read this booklet to learn more about the 457(b) Plan.

You can learn more about the other Plans that make up the University of Chicago retirement program by visiting **humanresources.uchicago.edu/benefits**.

PARTICIPATING IN THE 457(b) PLAN

The 457(b) Plan is a voluntary, non-qualified deferred compensation plan that allows eligible employees the opportunity to defer additional compensation each year.

When you participate:

- You defer a portion of your eligible compensation, up to IRS limits for the 457(b) Plan, on a pre-tax basis.
- Your contributions and any investment earnings are not taxed until you take a distribution from the 457(b) Plan. **Distribution rules for the 457(b) Plan are different than for other University 403(b) Retirement Plans** (Retirement Income Plan for Employees (ERIP), Contributory Retirement Plan (CRP), Supplemental Retirement Plan (SRP). Please see **page 7** for more information.
- You choose how to invest your contributions among the investment options from the tiered investment lineup below:
 - » Tier 1: Target-Date Funds
 - » Tier 2: Index Funds
 - » Tier 3: Actively Managed Investments
 - » Tier 4: Brokerage Account
- The University does not contribute to the 457(b) Plan.

Before you enroll in the 457(b) Plan

457(b) deferred compensation plans are different from tax qualified plans, such as the ERIP and the CRP. You have less control over the timing of distributions and, therefore, taxation than under a qualified plan. So, it is important that you review all of the enrollment materials carefully and discuss them with your financial planner to ensure you understand the rules and potential tax implications before participating in this Plan.



ELIGIBILITY FOR THE 457(b) PLAN

You are eligible to participate in the 457(b) Plan if you are a benefits-eligible employee of the University and you:

- Have a benefit base salary equal to or greater than 175% of the Social Security taxable wage base in the prior year (including clinical term allowances, administrative supplements, and ministerial housing allowances but excluding clinical bonuses, extra service pay, and compensation for service performed while you are out of residence), and
- Are contributing the maximum amount allowed by the IRS, including your voluntary contributions to the SRP — and any further catch-up contributions if you are age 50 or older.

Your participation in the 457(b) Plan is voluntary. You must meet the eligibility requirements each year to continue your participation from year to year. Eligibility is determined each April (for July enrollments) and October (for January enrollments). If you experience a pay reduction during the year, you may continue to participate in the Plan for the remainder of the year.

HOW TO ENROLL

You have two enrollment opportunities during the year:

- Through Workday during Benefits Open Enrollment for a January 1 participation date.
- By completing and returning a Salary Reduction Agreement by June 10 for a July 1 participation date. You will receive a mailing in May if you are eligible to enroll for the July 1 participation date.

To enroll for January 1, you must be an eligible employee on the payroll in the prior October. To enroll for July 1, you must be an eligible employee on the payroll in the prior April.

You will need to designate a beneficiary(ies) for your 457(b) Plan account. If you do not designate a beneficiary, your beneficiary will be your estate. To designate your beneficiary, log into your account at tiaa.org/public/tcm/uchicago or call TIAA at **800.842.2252**.

Re-enrolling each year

If you are eligible and want to continue participating in the 457(b) Plan, you must re-enroll each year. Your deferral election does not carry over from year to year. As long as you remain eligible, you may re-enroll by:

- Contributing the maximum amount allowed by the IRS to the SRP, including catch-up contributions if you are age 50 or older.
- Selecting the dollar amount you want to contribute in Workday during Benefits Open Enrollment to begin participating on January 1.
- Completing and returning a Salary Reduction Agreement in June to begin participating on July 1.

If you are currently participating, your deferrals will follow your current 457(b) Plan investment elections unless you actively make a change by contacting TIAA. You may change your investment allocation at any time by logging into your account at tiaa.org/public/tcm/uchicago or calling TIAA at **800.842.2252**.

INVESTING YOUR 457(b) PLAN DEFERRALS

New participants

When you make a deferral election for the first time, you must choose how you would like to invest your deferrals. Keep in mind, your investment elections under this Plan are separate from your investment elections under the other University 403(b) Retirement Plans.

You may choose to invest in investment options ranging from target-date funds to index funds, actively managed investments, and/or the TIAA Brokerage Option. Visit tiaa.org/public/tcm/uchicago to review the investment fund lineup.

You may change your investment allocation at any time by contacting TIAA directly. See **page 9** for contact information.

Current participants

If you are currently participating in the 457(b) Plan and you elect to participate again next calendar year, your deferrals will follow your current investment fund elections unless you actively make a change. You may change your investment election at any time by logging into your account at tiaa.org/public/tcm/uchicago or calling TIAA at **800.842.2252**.

The 457(b) Plan is a non-qualified plan

That means your deferrals (and investment earnings) will not be placed in a trust when you elect to participate. Instead, they will be held at TIAA and legally considered to be general assets of the University and, therefore, subject to its creditors' claims. The University, through TIAA, will maintain a record of your 457(b) Plan deferrals and will credit your deferral account with investment earnings based on the performance of the investments you elect.



CHANGING YOUR 457(b) PLAN DEFERRAL ELECTIONS

If you enroll in the Plan during Benefits Open Enrollment for a January 1 start date, you may increase or decrease your deferral rate once during the year by submitting a properly executed Salary Reduction Agreement to the Benefits Office by May 31. Your new deferral rate will take effect on July 1.

You may stop your deferrals at any time during the year by notifying the Benefits Office in writing. Your deferrals will stop as of the first day of the month following receipt by the Benefits Office of satisfactory written notice. Once your deferrals have stopped, you may make a new election to participate in the Plan during the next enrollment window, if eligible.

457(b) Plan deferral limits

The IRS limits how much you can defer to the 457(b) Plan each calendar year. This amount is **in addition** to the amount you may contribute to the SRP and any voluntary contributions to the ERIP. Special Section 457 catch-up contributions do not apply. Visit **www.irs.gov** for more information on the annual deferral limits.

Participating during a leave of absence

If you are on a leave of absence and your leave is paid in whole or in part, your 457(b) Plan deferrals will continue, provided your pay is sufficient (after other required deductions) to cover them. If your leave is unpaid, your 457(b) Plan deferrals will be discontinued until you return to paid service.

If your leave spans more than one calendar year, you will need to renew your 457(b) Plan enrollment effective as of the next available entry date.



RECEIVING YOUR BENEFITS

You can begin receiving benefit payments from your deferral account after your employment with the University ends. Your distribution will be paid based on your timely election.

- When you terminate employment with the University, you will have 180 days to elect to defer your account payment to a specific future date. If no election is made during that time, your account will be paid within 210 days after your termination date.
- If you initially defer your account payment to a specific future date, you will have another opportunity to further delay your account payment to a second, later future date. You must make this second deferral election prior to the first specified future date previously elected.

You cannot elect to commence payment of your account to later than April 1 of the year following when you reach age 70½ (or when you retire from the University, if later). In addition, you may not elect to accelerate the time of payment of your account.

Your account will be distributed as a lump sum payment unless, prior to the commencing date for payment, you elect either installment payments of between two and 30 years, or lifetime annuity payments by contacting TIAA. Any installment or annuity payments must meet IRS minimum distribution rules applicable for payments after age 70½.

Payments cannot be rolled over to an IRA or another employer's qualified retirement plan. In certain circumstances, you may be able to have your deferral account transferred to another Section 457(b) Plan with your new employer, provided their 457(b) Plan allows for transfers. When you receive payment of your benefit, the amount will be taxed as ordinary income. If you receive your benefit as a single lump-sum payment, your entire benefit will be taxed as ordinary income for the year in which it is paid to you.

If your benefit payment is less than \$5,000, you may receive all or part of it as an in-service withdrawal, provided that:

- You have not previously received a benefit from the Plan, and
- No amounts have been deferred to this Plan in the two years prior to the distribution.



In the Event of Your Death

In the event of your death prior to the full payment of your account, your benefit will be paid as follows:

- If you have commenced payment of your account as:
 - » Installment payments: The remaining payments will be distributed to your beneficiary at least as rapidly as the method of distribution elected prior to your death.
 - » Life annuity payments: Your survivor benefit (if any) will be paid in accordance with the type of annuity you selected.
- If you have not commenced to receive payments
 - » Your designated beneficiary will receive your account as a lump sum payment.
 - » Your beneficiary will have 180 days to make an election to defer payment to a specific future date. If no election is made during this time, your account will be paid as a lump sum payment within 210 days after your death.

Name Your Beneficiary(ies)

Review your beneficiary(ies) to ensure they are current. To elect or change beneficiaries for the 457(b) Deferred Compensation Plan or other retirement plan, contact TIAA at **800.842.2252** or visit **[tiaa.org/public/tcm/uchicago](https://www.tiaa.org/public/tcm/uchicago)**.



RESOURCES

Contact:	For...
<p>TIAA 800.842.2252 tiaa.org/public/tcm/uchicago</p>	<ul style="list-style-type: none"> • Information about investment options under the Plan • Assistance changing your investment elections • Access to retirement planning tools • Designating a beneficiary(ies)
<p>The University of Chicago Benefits Office 773.702.9634 benefits@uchicago.edu</p>	<ul style="list-style-type: none"> • General questions about the 457(b) Plan

In keeping with its long-standing traditions and policies, the University of Chicago considers students, employees, applicants for admission or employment, and those seeking access to University programs on the basis of individual merit. The University does not discriminate on the basis of race, color, religion, sex, sexual orientation, gender identity, national or ethnic origin, age, status as an individual with a disability, protected veteran status, genetic information, or other protected classes under the law (including Title IX of the Education Amendments of 1972). For additional information regarding the University of Chicago's Policy on Harassment, Discrimination, and Sexual Misconduct, please see: [harassmentpolicy.uchicago.edu/page/policy](https://www.uchicago.edu/page/policy).

*The University official responsible for coordinating compliance with this Notice of Nondiscrimination is Bridget Collier, Associate Provost for Equal Opportunity Programs. Ms. Collier also serves as the University's Title IX Coordinator, Affirmative Action Officer and Section 504/ADA Coordinator. You may contact Ms. Collier by emailing bcollier@uchicago.edu, by calling **773.702.5671**, or by writing to Bridget Collier, Office of the Provost, The University of Chicago, 5801 S. Ellis Ave., Suite 510, Chicago, IL 60637.*

This brochure provides an overview of the University of Chicago 457(b) Deferred Compensation Plan. It is for informational purposes only. It is not intended to be an agreement for continued employment, nor is it a legal Plan document. If there is a discrepancy between this brochure and the Plan documents, the Plan documents will govern. In addition, the Plan described in this brochure is subject to change. Continuation of benefits is at the University's discretion.