



THE UNIVERSITY OF CHICAGO SUPPLEMENTAL RETIREMENT PLAN (SRP)



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 Supplemental Retirement Plan (SRP).

We encourage you to take some time to read this booklet to learn more about the SRP.

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



HOW THE SRP WORKS

The SRP is a 403(b) plan that offers a flexible and convenient way to save for retirement. You are eligible to participate in the SRP as of your hire date.

Key features of the SRP include:

- ✓ **Tax savings.** Contributing pre-tax money to the SRP lowers your taxable income for the year since your contributions are deducted from your pay before federal and state income taxes are withheld. Not only do you pay yourself before you pay the government, it actually costs you less than a dollar to save a dollar in the Plan. You do not pay taxes on those funds until you withdraw the money in retirement.
- ✓ **Control over your investment elections.** You have the opportunity to choose how to invest your contributions through a variety of investment options.
- ✓ **Investment growth.** Your account grows through compound interest and potential investment earnings on a tax-deferred basis until you withdraw it.
- ✓ **Flexibility.** Once you open an account and elect a contribution amount, your election will remain the same from year to year unless you make a change. You can start, stop, or change your elections at any time during the year.
- ✓ **Portable.** The money you contribute to the SRP is always yours, even if you leave or retire from the University. If you do leave, you can keep your money in your SRP account (as long as your balance is \$1,000 or greater), elect to receive a distribution, roll it into a new employer's plan, or open an Individual Retirement Account (IRA).



What you need to know

You can start saving for retirement right away by enrolling in the SRP. Here is how it works:

- You are eligible to participate as of your date of hire.
- You can enroll at any time through Workday.
- You contribute on a pre-tax basis through convenient payroll deductions. The University does not contribute to the SRP.
- You can change the amount of your contribution, or stop contributing, at any time through Workday.
- You are always 100% vested in your SRP account.
- The IRS limits how much you can contribute each year (see **page 5** and **page 6** for details).
- You decide how to invest your contributions in your SRP account.
- If you have a qualified retirement plan from a previous employer, you can roll the funds over into the SRP.

HOW TO ENROLL

You can enroll in the SRP at any time during the year through Workday. To begin enrollment access Workday at workday.uchicago.edu from any computer. When you enroll in the Plan for the first time, you can choose to invest your contributions among the investment options available under the Plan. Please see **page 7** for more information on investing your contributions in SRP. TIAA will notify you in writing once your account, known as a Retirement Choice Plus (or RCP) account, at TIAA has been established.

As part of the enrollment process, we encourage you to designate your beneficiary directly with TIAA. Your beneficiary is the person (or persons) who will receive benefits in the event of your death. Should you die before receiving the entire value of your SRP account, your beneficiary will receive the remainder of your benefit, so designating your beneficiaries ensures your benefits will be distributed as you would like. If you do not designate a beneficiary, your beneficiary will be your spouse (if you are married) or your estate (if you are not married) until you make a change by logging in to your account at tiaa.org/public/tcm/uchicago or calling TIAA at **800.842.2252**.

Rolling over another retirement plan

If you have a qualified retirement plan from a previous employer, you can roll the funds over into your SRP account if desired. Contact TIAA at **800.842.2252** for more information.



GETTING STARTED

Log into **workday.uchicago.edu** from any computer with your CNetID and password to elect the dollar amount or percentage you would like to invest. Please note: If you are a bi-weekly employee, the amount you designate will be deducted from each paycheck – the monthly indicator in Workday does not apply to you.

Your enrollment in the SRP authorizes the University to deduct your election amount from your salary each paycheck (before taxes are withheld) and defer that amount to your SRP account.

Changing your contributions

You can change your contribution rate or stop your contributions entirely any time during the year by logging in to Workday with your CNetID and password. If you stop your contributions, you can begin participating again by logging in to Workday and electing a contribution amount. Your elections will be effective the first payroll of the following month.

Contribution limits

You can contribute up to the IRS limit each calendar year. If you are age 50 or older (including if you will attain age 50 by December 31, 2018), you can contribute an additional amount in catch-up contributions. The sum of your contributions to the SRP and your **voluntary** contributions to ERIP (if any) cannot exceed these limits. Your voluntary contributions will automatically stop once you reach these IRS limits. Visit **www.irs.gov** for more information on the annual contribution limits.



Additional limitations on contributions

As you plan your contributions, keep in mind that the sum of the following cannot exceed the lesser of 100% of your annual compensation or the IRS 415(c) limit:

- Your contributions to the SRP (excluding the additional catch-up contributions you may be eligible to make under the special catch-up provision if you are age 50 or older),
- Any mandatory and matching contributions the University makes to your ERIP account or any mandatory contributions the University makes to your Contributory Retirement Plan (CRP) account (if applicable), and
- Your mandatory and voluntary contributions to your Retirement Income Plan for Employees (ERIP) account or your mandatory contributions to your CRP account (if applicable).

Once you reach this limit, Workday will automatically stop your contributions for the remainder of the year. Federal tax laws also limit your tax-deferred contributions to employer plans outside the University.

- If you participate in the SRP as well as a tax-deferred retirement plan sponsored by another employer, your contributions are combined for purposes of the IRS limits (including the catch-up contributions).
- If you also set aside earnings from your self-employment into an account balance tax-deferred retirement plan, the amount contributed under that plan is counted toward the IRS 415(c) limit and may reduce the amount you can contribute to the SRP. **Because of this, you must notify the Benefits Office if a company controlled by you makes contributions on your behalf to a retirement plan.**

You should consult with your tax or financial advisor to ensure that your retirement contributions based on employment outside of your University employment are properly coordinated with the University retirement Plans for tax purposes.



INVESTING YOUR SRP CONTRIBUTIONS

How you invest your money is almost as important as how much you save, so make the most of it. Once you have established your SRP account, you may choose to invest your contributions in one fund or spread them among several funds. Investment options available under the Plan include target-date funds, index funds, actively managed investments and/or the TIAA Brokerage Option. Visit tiaa.org/public/tcm/uchicago to review the investment fund lineup.

If your application to open a Retirement Choice Plus (RCP) account with TIAA for this Plan is not received before the first SRP contribution is deducted from your pay, an RCP account will be opened for you under the Plan's default procedures, and your contributions will be invested 100% in the age-appropriate retirement age target date fund. Whether your RCP account is opened by application or by default, TIAA will notify you in writing when it is established.

You may change your investment allocation at any time by logging in to your account at tiaa.org/public/tcm/uchicago or contacting TIAA at **800.842.2252**.

The importance of diversification

No matter what type of retirement/savings account(s) you maintain, the concept of diversification is important. Diversifying — or spreading your savings out appropriately across different types of investments — helps minimize your risk of big losses. Diversifying your investments allows you to take a balanced approach, helping your retirement savings grow steadily over time rather than savings that swing drastically from high to low as the economy goes up and down. Keep in mind, funds that are less risky are also usually those with lower returns. Funds with higher risk have the potential for greater return but are more volatile.



RECEIVING YOUR BENEFITS

You may elect to receive all or a portion of your benefit under the SRP when your employment with the University ends for any reason. You can also begin receiving benefit payments from your SRP account while you're still employed by the University if you:

- Are age 59½ or older,
- Are on long-term disability,
- Elect to borrow a portion of your SRP account, or
- Qualify for a hardship withdrawal under IRS regulations.

You may elect to receive your SRP benefit in any of the following forms:

- A tax-deferred rollover to an IRA or another employer's retirement plan,
- A lump-sum distribution,
- Installment payments, or
- An annuity.

Please note: If your account balance is less than or equal to \$1,000 when you terminate employment with the University, you will automatically receive a lump-sum payment.

When you are ready to begin receiving payments, contact the Benefits Office for the appropriate distribution form.

Loans and hardship withdrawals

Loans and hardship withdrawals are available from your SRP assets. All loans are subject to an interest rate, determined by the market at the time the loan is taken. You generally have up to five years in which to repay your loan — or up to 10 years if you use the loan to purchase your home.

Hardship withdrawals are available to satisfy immediate and financial needs, such as for tuition payments or to purchase a home. Before you can qualify for a hardship withdrawal, you must take all loans available to you under the SRP, ERIP, and/or CRP.

All loans and hardship withdrawals are subject to the rules and requirements set forth by TIAA. Contact TIAA for more information. Please see **page 9** for contact information.

Taxes on your SRP withdrawals

Money you withdraw from your SRP account is taxed the same as ordinary income. In addition, the IRS imposes a 10% penalty tax for early payments from the Plan that are not rolled over to an IRA or another qualified retirement plan.

There are certain exceptions to this penalty tax, including payments if you:

- Are age 59½ or older,
- Become disabled, or
- Terminate your employment with the University at or after age 55.

Please consult your personal tax advisor to ensure you understand the tax consequences.

Lump-sum distributions are subject to a mandatory federal income tax withholding rate of 20% (in addition to the 10% penalty mentioned above if you withdraw the money before age 59½).

Please consult your personal tax advisor to ensure you understand the tax consequences.

RESOURCES

| Contact: | For... |
|--|---|
| <p>TIAA 800.842.2252 tiaa.org/public/tcm/uchicago</p> | <ul style="list-style-type: none"> • Information about rolling over funds from a previous qualified retirement plan • Information about investment options under the Plan • Assistance changing your investment allocations • Access to retirement planning tools |
| <p>The University of Chicago Benefits Office 773.702.9634 benefits@uchicago.edu</p> | <ul style="list-style-type: none"> • General questions about the SRP • SRP Summary Plan Description |

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.

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 SRP. 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.