

THE UNIVERSITY OF CHICAGO **SUPPLEMENTAL RETIREMENT PROGRAM**



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THE UNIVERSITY OF
CHICAGO

Human
Resources



Overview

The University of Chicago offers you an opportunity to participate in the following retirement plans:

- The Contributory Retirement Plan (CRP) or the Retirement Income Plan for Employees (ERIP) and
- The Supplemental Retirement Program (SRP).

Your benefit earned under these plans, together with your personal savings and Social Security, will help to provide a secure retirement. While participation in the CRP or ERIP is mandatory for all employees who meet the plan's eligibility requirements, the SRP is a voluntary program that provides an opportunity to save additional money for retirement through tax-deferred savings.

This brochure is designed to help you better understand the SRP and how it works. We encourage you to review it carefully so that you may take full advantage of the benefits of this program. If you have any questions after reviewing this brochure, you may contact:

- TIAA: [tiaa.org](https://www.tiaa.org)
- Vanguard: [vanguard.com](https://www.vanguard.com)
- Benefits Office: benefits@uchicago.edu

Plan Highlights

You can start saving for retirement right away by enrolling in the SRP. The SRP is a voluntary 403(b) plan to help you save for retirement. Here's how it works:

- You are eligible to participate as of your date of hire.
- The University does not contribute to the SRP.
- You can enroll at any time by logging into Workday and specifying the amount you want to contribute. Your elections will be made on a pre-tax basis through convenient payroll deductions.
- The IRS limits how much you can contribute each year. If you are age 50 or older, you can also make additional "catch-up" contributions. Visit [irs.gov](https://www.irs.gov) to view the annual contribution limits.
- You can change the amount of your contribution, or stop contributing, at any time.
- You will need to establish an account with TIAA and/or Vanguard. You then decide how you want your contributions to be invested by contacting TIAA and/or Vanguard directly.
- If you have a qualified retirement plan from a previous employer, you can roll the funds over into the SRP. Contact TIAA and/or Vanguard for more information.

Retirement Plans Comparison: Faculty, Other Academic Appointees, and Highly Compensated Staff

Features	Contributory Retirement Plan (CRP)	Supplemental Retirement Plan (SRP)	457(b) Deferred Compensation Plan
Eligibility	Mandatory upon appointment for full-time, benefits-eligible academic employees and upon completion of one year of service for part-time, benefits-eligible academic employees; mandatory for highly compensated staff employees having a benefit base salary equal to or greater than \$120,000	All employees	All benefits-eligible employees having a benefit base salary equal to or greater than \$207,375 who are contributing the maximum permitted to SRP
Enrollment	Automatic enrollment as soon as eligibility requirements are satisfied	Enroll at any time throughout the year through Workday	Must be renewed annually either during Open Enrollment (for January 1) or on paper (for July 1)
Ongoing Participation	Your participation will automatically continue from one year to the next	Your participation will automatically continue from one year to the next unless you discontinue participation	Must be renewed annually either during Open Enrollment (for January 1) or on paper (for July 1)
University Contributions	8% of compensation (excludes certain extra service pay)	None	None
Employee Contributions	5% of compensation (by payroll deduction)	Participation is voluntary; contributions cannot exceed IRS limits for the calendar year	Participation is voluntary; contributions cannot exceed IRS limits for the calendar year
Vesting Requirement	You are always 100% vested in your payroll deduction contributions; you are 100% vested in the University's contributions upon completing three years of service	You are always 100% vested in your SRP account	You are always 100% vested in your Section 457(b) deferral account
Account Ownership	Participant	Participant	University
Loans	Available through TIAA	Available through TIAA	Not available
Hardship Withdrawals	Not available	Available to satisfy "immediate and heavy financial need"; includes tuition and purchase of primary residence; only available through TIAA	"Unforeseeable emergency" requirement difficult to satisfy; does not include tuition and purchase of a home
In-Service Withdrawals	Not available	Available for hardship and disability, and for any reason after age 59½; hardship withdrawals only available through TIAA	Not available
Payments Following Employment Termination	Benefits must commence when participant attains age 70½ unless earlier payment is requested	Benefits must commence when participant attains age 70½ unless earlier payment is requested	Entire benefit must be paid in immediate lump sum unless participant affirmatively elects to defer payment within 60 days following employment termination

Retirement Plans Comparison: Staff Employees

Features	Supplemental Retirement Plan (SRP)	Staff Employee Retirement Income Plan (ERIP)
Eligibility	All employees	Mandatory for all non-highly compensated staff employees who have attained age 21 and completed one year of service (i.e., 1,000 hours of service during the 12 consecutive month period beginning on the employee's hire date and each anniversary thereafter)
Enrollment	New enrollments may be made through Workday at any time throughout the year	Automatic enrollment as soon as eligibility requirements are satisfied
Ongoing Participation	Your participation will automatically continue from one year to the next unless you discontinue participation	Your participation will automatically continue from one year to the next
University Contributions	None	4% of compensation (including salary, extra service pay, and overtime pay)
Employee Contributions	Participation is voluntary; contributions cannot exceed IRS limits for the calendar year	3% of compensation (by payroll deduction)
Vesting Requirement	You are always 100% vested in your SRP account	You are always 100% vested in your payroll deduction contributions; you are 100% vested in the University's contributions upon completing three years of service
Account Ownership	Participant	Participant
Loans	Available through TIAA	Available through TIAA
Hardship Withdrawals	Available to satisfy "immediate and heavy financial need"; includes tuition and purchase of primary residence; only available through TIAA	Not available
In-Service Withdrawals	Available for hardship and disability, and for any reason after age 59½; hardship withdrawals only available through TIAA	Not available
Payments Following Employment Termination	Benefits must commence when participant attains age 70½ unless earlier payment is requested	Benefits must commence when participant attains age 70½ unless earlier payment is requested

How the Plan Works

Under Section 403(b) of the Internal Revenue Code, certain nonprofit organizations may offer a special type of retirement program, such as the SRP, to eligible employees.

Under the SRP, you may voluntarily elect to contribute a specific dollar amount (subject to your maximum permissible limit) from each paycheck to a retirement annuity or custodial account. The amount that you contribute to the plan is not considered a part of your taxable income at the time you make your contribution. In addition, any earnings on your contributions are tax-deferred, so you do not have to pay any taxes until you actually begin to receive benefits.

Eligibility

You are eligible to participate in the plan if you are a University employee. (The foregoing notwithstanding, certain nonresident aliens are excluded from plan participation. Please contact the Benefits Office for more information.)

How to Enroll

- Enroll at any time by logging into Workday with your CNetID and password.
- You may change your contribution rate or stop your contributions entirely at any time. If you stop your contributions entirely, you may reinstate your participation at any time during the year by logging into Workday with your CNetID and password. Deductions will change effective the first payroll of the following month.
- You also may change your contribution rate or percentage allocation between your TIAA and Vanguard accounts at any time by logging into Workday with your CNetID and password.

Your enrollment authorizes the University to deduct a specified part of your salary before taxes are withheld from each paycheck and defer that amount to your account with TIAA or Vanguard.

If this is the first time you are enrolling in the plan, you also must establish an account with TIAA or Vanguard (or both, depending on your investment selection) to hold your contributions.

Investing Your SRP Contributions

You are responsible for directing the investment of your tax-deferred contributions among the investment options offered by TIAA and Vanguard. You must indicate to TIAA and Vanguard the funds you want your contributions invested in. You may choose to invest your contributions in one fund or spread them among several funds.

For more information regarding your choice of investment funds, please contact TIAA at **800.842.2776** and Vanguard at **800.523.1188**. Once you have established your TIAA annuity and/or Vanguard custodial account, you may change your investment allocation within each company or transfer balances between the two companies by contacting them directly.

TIAA:

- If you wish to invest at least some of your SRP contributions with TIAA and you have not previously established a Group Supplemental Retirement Annuity (GSRA) to hold those contributions, you must complete the online TIAA GSRA application. The GSRA application is available at tiaa.org/uchicago.
- If your GSRA application is not received before the first SRP contribution is deducted from your pay, a GSRA certificate will be issued to you under the plan's default procedures. If your GSRA is issued by default, your contributions will be invested 100% in the age-appropriate Lifecycle Fund and your beneficiary will be your spouse (if you are married) or your estate (if you are not married) until you affirmatively make a change by contacting TIAA.
- Whether your GSRA is issued by application or by default, TIAA will notify you in writing when it is established.

Vanguard:

- If you wish to invest at least some of your SRP contributions with Vanguard and you have not previously established a Section 403(b)(7) custodial account to hold those contributions, you must complete the Vanguard Enrollment/Change form and return it directly to Vanguard. The Enrollment/Change form is available online at uchicago.vanguard-education.com. While TIAA requires that SRP participants establish a separate account to hold their SRP contributions, Vanguard does not impose a similar requirement. If you already invest at least some of your CRP or ERIP contributions with Vanguard, you do not need to complete another Vanguard Enrollment/Change form. Your SRP contributions will be automatically invested in the same manner as you elected for your CRP or ERIP contributions.
- If your Enrollment/Change form is not received before the first SRP contribution is deducted from your pay, a Section 403(b)(7) custodial account will be established for you under the plan's default procedures. If your custodial account is established by default, your contributions will be invested 100% in the age-appropriate Target Retirement Fund and your beneficiary will be your spouse (if you are married) or your estate (if you are not married) until you affirmatively make a change by contacting Vanguard.
- Whether your custodial account is established by application or by default, Vanguard will notify you in writing when it is opened.

Your Contributions

The Internal Revenue Code limits the amount you may contribute to the SRP. For calendar year 2016, all employees may contribute **\$18,000** (or, if less, 100% of their University compensation). The maximum contribution amount for future calendar years will be indexed in \$500 increments. This means that while the maximum contribution amount will not always increase from one year to the next, if it does increase, it will increase in increments of \$500.

Special “Catch-Up” Provision for Employees Age 50 or Older

All employees age 50 or older (including those who will attain age 50 by December 31, 2016) may contribute an additional **\$6,000**. In other words, all employees age 50 or older may contribute **\$24,000** (or, if less, 100% of their University compensation) in 2016. The catch-up contribution amount for future calendar years will be indexed in \$500 increments. This means that while the catch-up contribution amount will not always increase from one year to the next, if it does increase, it will increase in increments of \$500.

Additional Limitations on Contributions

For calendar year 2016, the sum of the following cannot exceed the lesser of 100% of your annual compensation or \$53,000:

- The University’s contributions to your CRP or ERIP account,
- Your contributions to your CRP or ERIP account, and
- Your contributions to the SRP. (This does not include the additional \$6,000 that you may be eligible to contribute under the special catch-up provision for employees age 50 or older.)

Federal tax laws also limit your tax-deferred contributions to employer plans outside the University. If you participate in the SRP and also participate in a tax-deferred retirement plan sponsored by another employer, your contributions are combined for purposes of the \$18,000 limit and the age 50+ catch-up. 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 \$53,000 limit and may reduce the amount you can contribute to the SRP. Therefore, you must notify the Benefits Office if a company controlled by you makes contributions on your behalf to a retirement plan. You also should consult 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.

Receiving Your Benefits

You are always 100% vested in your SRP account, meaning you have a right to receive your contributions, adjusted for investment gains and losses, when you terminate employment with the University. If you die before receiving the entire value of your SRP account, your beneficiary will be entitled to receive the remainder.

You may elect to receive all or part of your benefit under the SRP when you terminate your University employment for any reason. You also may choose to receive a payment from your SRP account while continuing your University employment if:

- You are age 59½ or older,
- You are on long-term disability,
- You elect to borrow a portion of your SRP account, or
- You qualify for a “hardship” withdrawal under IRS regulations.

Loans and hardship withdrawals are available from your SRP assets, provided those assets are invested with TIAA. If your SRP assets are invested with Vanguard and you decide that you would like to borrow a portion of your account or take a hardship withdrawal, you must first transfer your Vanguard assets to TIAA and then apply for a loan or hardship withdrawal from TIAA. You must take all loans available to you under the SRP, CRP, and ERIP before you will qualify for a hardship withdrawal.

When you are ready to begin receiving payments under the SRP, you should contact TIAA and Vanguard directly to obtain the requisite paperwork. TIAA and Vanguard representatives will provide you with detailed information regarding the alternative forms of payment available to you and the tax consequences of each form.

You also should know that the Internal Revenue Code imposes a 10% penalty tax (in addition to your regular income tax) on early payments from the plan that are not rolled over to an IRA or another employer’s retirement plan. There are certain exceptions to this penalty tax; for example, it does not apply to payments to participants who are age 59½ or older, who become disabled, or who terminate University employment at or after age 55. Please consult your professional tax advisor for more information.



Forms of Payment

You may elect to receive all or part of your benefit under the SRP when you terminate your University employment for any reason.

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
- An annuity

When you are ready to begin receiving payments under the SRP, you should contact TIAA and Vanguard directly to obtain the requisite paperwork.



THE UNIVERSITY OF
CHICAGO

**Human
Resources**

Benefits Office

6054 South Drexel Avenue
Chicago, Illinois 60637

How to Contact the Benefits Office

Phone: 773.702.9634

Fax: 773.834.0996

Email: benefits@uchicago.edu

Web: humanresources.uchicago.edu

Office hours: 8:30 a.m.–4:30 p.m., weekdays

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 without notice. Continuation of benefits is at the University's discretion.

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