

Temporary Changes to University Contributions under ERIP and CRP **Frequently Asked Questions**

Capitalized terms used in this document have the meanings set forth in the corresponding Summary Plan Description (SPDs) available below.

- [ERIP \(non-Local 743\) Summary Plan Description](#)
- [CRP Summary Plan Description](#)

1. Why did the University take this action?

University is facing a substantial deficit for this fiscal year, and the economic difficulty and uncertainty is expected to continue for the foreseeable future. To reduce our financial expenditures and avoid making cuts in other areas, along with other measures that have been shared with the community, we are suspending contributions to University-sponsored defined contribution retirement plans as described below.

2. What contributions is the University suspending?

For individuals with annual compensation of \$130,000 or less per year, the University is reducing the Mandatory University Contribution rate of 4% Compensation under ERIP and 8% Compensation under CRP to 1% under each plan. For individuals with annual compensation of above \$130,000 per year, the University is suspending the Mandatory University Contribution.

3. Will I still be required to make the Mandatory Employee Contribution?

Yes, Employee Mandatory Contributions will continue. For ERIP, the Employee Mandatory Contribution is 3% Compensation and for CRP the Employee Mandatory Contribution is 5% Compensation.

4. I am a participant in ERIP. How do these changes impact the Voluntary Employee Contribution and University Match Contribution?

You can continue to elect to make Voluntary Employee Contribution of 1% or 2% of your Compensation to ERIP for each pay period. However, with these changes, the University Match Contribution has been suspended, and so you will not receive the corresponding University match.

5. How did the University identify the annual compensation threshold of \$130,000?

The threshold is based on the IRS definition of “highly compensated employee” for qualified retirement plans, which is \$130,000 in annual compensation for the 2021 plan year. To determine if an employee is above or below this threshold, the University will look to the employee’s benefits-base salary reflected in the University’s Workday system as of June 1, 2020.

6. I am a former SEPP participant and receive Transition Contributions under ERIP. Will I continue to receive these Transition Contributions?

Yes, the University will continue to make these Transition Contributions, which are not affected by these changes.

7. What actions should I take?

These changes will take place automatically and you do not need to do anything. However, you may wish to review your retirement plan account and potentially adjust your own employee contribution. For example, if you currently participate in ERIP, you are still able to contribute up to an additional 2% of Compensation in Voluntary Employee Contributions. In addition, the University provides the Supplemental Retirement Plan (SRP) which allows eligible employees in CRP and ERIP to contribute more to your retirement. You can contribute up to \$19,500 in 2020. If you are age 50 or older, you can contribute an additional \$6,500 as a catch-up contribution to this plan. To change your contribution, visit Workday and request a Benefit Change.

8. I am eligible for the University 457(b) deferred compensation plan. Will these changes affect my ability to contribute to the 457(b) plan? No, there are no employer contributions in the 457(b) plan and, if you are eligible, you can continue to contribute up the maximum IRS dollar limits for that plan.

9. When will these new contributions changes take effect? The University expects these changes to take effect at the beginning of the University's fiscal year (July 1) and continue through the end of the fiscal year ending June 30, 2021. When these changes are made effective, you will see them reflected in your University pay slips on Workday and you ERIP/CRP account statements provided by the plans' recordkeeper, TIAA.

10. On what basis can the University make these changes? Under the governing plan documents for each of ERIP and CRP, the University has the authority to amend or modify the plan and to discontinue plan contributions under circumstances it deems advisable, including as needed to address financial challenges like the ones we are currently facing.