



## **SUFFOLK UNIVERSITY VOLUNTARY TAX DEFERRED ANNUITY PLAN**

**Introduction:** Suffolk University has established two 403(b) retirement programs to help you save for retirement on a before-tax basis. In a 403(b) plan, your contributions are made to the plan before any federal or state income taxes deducted. The Voluntary Tax Deferred Annuity Plan provides for all University employees (except those whose positions are contingent on student status) to save for retirement. Employees who are eligible to participate in the Standard Retirement Plan may make additional contributions to the Voluntary Tax Deferred Annuity Plan to supplement their savings. Employees select the investments for their contributions. All contributions are fully vested (owned) by employees, and employees are entitled to receive these contributions when they retire or terminate from the University.

This question and answer sheet is a brief description of the benefits of the Plan. The Summary Plan Description available from Human Resources will explain in more detail your benefits and rights under the Plan.

### **1. Who is eligible to participate in the Plan?**

University employees who work in positions not contingent on student status are eligible to participate in the Plan immediately upon hire.

### **2. How do I enroll in the Plan?**

You may obtain information from Human Resources about how to enroll in the Plan.

### **3. How much may I contribute to the Plan?**

You may contribute any amount up to the legal contribution limit. If you are also contributing to the Standard Retirement Plan, your contribution will be made first to the Standard Retirement Plan, and the difference (if any) will be contributed to the Voluntary Tax Deferred Annuity Plan. Your contribution will not be matched by a University contribution.

#### 4. What is the legal contribution limit?

The legal contribution limit for your combined contributions to the VTDA Plan and the SRP is \$15,000 for 2006. This amount will be automatically increased by \$500 each year thereafter.

In addition, if you are age 50 (or will be age 50 by the end of the calendar year), you may contribute additional \$5000 beyond the primary maximum as described above. This amount will also increase automatically every year.

Please note, if you make 401(k) or other 403(b) contributions to another employer's plan, you have to consider these amounts when figuring your overall employee contribution limit for the applicable calendar year.

If you have 15 or more years of service with the University, you may be able to contribute even more to the VTDA Plan. This will depend on the amount of your compensation, your years of service and whether you have had full-time or part-time service, and the amount of your contributions to the 403(b) program in prior years. Human Resources will assist you in calculating this additional amount.

#### 5. How are my contributions to the Plan invested?

You will be able to select investments for your contributions from among the investment options of the Fund Sponsors. The Fund Sponsors are TIAA-CREF and Fidelity Investments.

#### 6. What are my investment choices?

TIAA-CREF offers the following investment choices:

<u>Type of Investment</u>	<u>TIAA-CREF Investment Product</u>
<b>Guaranteed</b>	TIAA Traditional Annuity
<b>Equities</b>	Equity Index Account Global Equities Account Growth Account Stock Account
<b>Fixed Income</b>	Bond Market Fund Inflation-Linked Bond Account Money Market Account
<b>Equities and Fixed Income</b>	Social Choice Account
<b>Real Estate</b>	Real Estate Account

Fidelity Investments offers about 300 Fidelity mutual funds for your contributions.

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## **7. May I take a loan from the Plan?**

Within certain legal limits you may borrow from your own contributions and the investment earnings on your contributions. Loans must be repaid within a 5-year period, or within 10 years if made for home purchase.

With TIAA-CREF funds, loans are available from the RA and GSRA contract, but not from the SRA contract. SRA assets may be transferred to the GSRA contract to take a loan. Assets may also have to be transferred within TIAA-CREF investment funds to take a loan.

Consultants from TIAA-CREF or at Fidelity can help you calculate the maximum loan available to you. To reach the TIAA-CREF Counseling Center, call 800-842-2776 from 8am-11:00 pm on weekdays and 9am-6 pm on weekends. To reach the Fidelity Retirement Services Center, call 800-343-0860 from 8am-12am on weekdays.

## **8. When may I withdraw funds from the Plan while I am still employed?**

The purpose of a 403(b) retirement program is to save for retirement. The IRS recognizes this by giving tax advantages to employees. There are limited situations in which you are permitted to withdraw contributions before retirement. Withdrawals from the Plan are taxed in the year received, and, if you are under age 59 ½, there may be an additional 10% excise tax. There are also certain withdrawal restrictions that apply to the TIAA-CREF Traditional Annuity.

You may take a withdrawal of your own contributions for financial hardship, but may not take a withdrawal of University contributions or any investment earnings in your employee and University accounts. Hardship is defined as expenses incurred or necessary for medical care by you, your spouse or dependents; purchase (excluding mortgage payments) of a principal home; payment of tuition for the next 12 months of post-secondary education for you, your spouse, children or dependents; payments to prevent eviction or foreclosure from a principal residence; funeral or burial expenses for your deceased parent, spouse, children or dependents and payment to repair damage to your principal residence that would qualify for casualty loss deduction. Before you are eligible for a hardship withdrawal, you must first take a loan (as described in the above section) and then if additional funds are needed for the hardship situation, you may apply for a hardship withdrawal.

If you take a withdrawal for financial hardship, all contributions will be suspended for six months, commencing with the pay period after the withdrawal is approved.

After you reach age 59 ½, you may withdraw all or a portion of your contributions and any investment earnings in your account.

You may withdraw at any time contributions you have rolled over from a former employer's plan.

Withdrawals will be taxed to you in the year received, and there may be an additional 10% excise tax if you are under age 59 ½.

\*There are also withdrawal restrictions that apply to certain of the TIAA-CREF investment products (see question 10).

## **9. When may I withdraw funds from the Plan when I terminate or retire?**

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When you terminate or retire, you may take your distribution immediately in a cash withdrawal, periodic payments or an annuity. Your distribution will be taxed to you in the year received, and there may be an additional 10% excise tax if you are under age 59 ½.

You may also choose to leave your funds in the Plan or to roll over your funds to an IRA or to your new employer's retirement plan (if that plan permits rollovers).

\*There are also withdrawal restrictions that apply to certain of the TIAA-CREF investment products (see question 10).

#### **10. What are the restrictions on withdrawals and distributions that apply to certain funds?**

There are restrictions on some of the investment funds that may apply to your withdrawal or distribution from the Plan:

- Amounts withdrawn from TIAA Real Estate Account, all CREF accounts, Fidelity funds and Lincoln Life funds may be made in a lump sum.
- Amounts withdrawn from the RA contract under the TIAA Traditional Annuity will be paid out over a 10-year period, with 10% of the amount withdrawn payable immediately. (There is no similar restriction for the SRA and GSRA contracts with investments in the TIAA Traditional Annuity.)

#### **11. Where can I go for additional information about the Voluntary Tax Deferred Annuity Plan?**

The Summary Plan Description available from Human Resources will explain in more detail your benefits and rights under the Plan.

You can contact the Fund Sponsors to obtain detailed information about the investments offered in the Plan, as well as general investment information and tools to use in selecting your investments.

TIAA-CREF                      800-842-2776  
Website: [www.tiaa-cref.org](http://www.tiaa-cref.org)

Fidelity Investments        800-343-0860  
Website: <http://www.fidelity.com/atwork>