Overview

Retirement Plan
Regardless of your age, the time for thinking about retirement is now. With careful planning, you can help make your retirement years a more comfortable and secure time of life for you and your family.

Once you have completed the necessary service requirement, the Boston University Retirement Plan provides you with an opportunity to set aside money for your retirement. If you make the required participant contributions to the Retirement Plan, the University more than matches that contribution. Both your contributions and the University’s may be invested in any of the following investment vehicles: Vanguard Target Retirement Funds, Core Mutual Funds, and Core Annuities. In addition, a brokerage account is available (see “Investment Choices” for details). Contributions are made through Fidelity Investments, the Teachers Insurance and Annuity Association (TIAA), and the College Retirement Equities Fund (CREF).

You have the choice to pay no income tax on the money you contribute to the Retirement Plan until withdrawal. The University’s contributions are not taxable to you when made. In addition, investment earnings accumulate tax-free until withdrawal.

Alternatively, your contributions to the Retirement Plan may be made as Roth contributions on an after-tax basis through Fidelity Investments only. If you make Roth contributions your investment earnings will accumulate tax-free and will be considered tax-free at the time of withdrawal as long as your withdrawal is qualified. The University contributions will be considered taxable income to you at the time of withdrawal regardless of whether you make before-tax or Roth contributions.

Your Retirement Plan income, together with your Social Security benefits and personal assets, are intended to give you the financial security you will need during your retirement years. You may also increase your retirement savings by making contributions to the Supplemental Retirement and Savings Plan, which is described in the next section of this handbook.

About the Retirement Plan
Once you have satisfied the service requirement, the Boston University Retirement Plan provides you with an opportunity to put aside money for your retirement. At that time, you have a choice of contributing to the Retirement Plan in one of the following ways:

Before-Tax Contributions—You pay no federal or state income tax on the before-tax money you put into the Retirement Plan or the accumulated investment earnings until you receive it.

Roth Contributions—You pay federal and state income tax on the after-tax money you put into the Retirement Plan. The investment earnings accumulate tax-free and are paid to you tax-free at the time you receive it as long as the withdrawal is qualified.

University Contributions—You pay no federal or state income tax on the contributions the University puts into the Retirement Plan on your behalf or the accumulated investment earnings until you receive it.

The tax deferral advantage can, in effect, increase the amount you can afford to save now.

To find out more about the Retirement Plan, read this section carefully. Then, begin saving for your future.

Eligibility
If you are an employee of the University, other than a student, have a normal work schedule of at least 50% of a full-time schedule, and have an appointment of nine months’ or more duration, you may participate in the Boston University Retirement Plan.

As an eligible employee, you can participate in the Retirement Plan beginning on the first day of the month in which you complete two years of service with the University. A year of service is a 12-month period in which you complete at least 1,000 hours of service. Prior eligible service with Boston University will be applied toward your two-year waiting period. These provisions apply only to the eligibility waiting period.

Enrollment
If you would like to enroll in the Retirement Plan, please log on to www.bu.edu/buworkcentral and go to the Employee Self-Service section. Under Benefits and Pay click on “Retirement Plan Enrollment” and follow the instructions provided therein.

When you log on, you will be able to:
• Enroll for the first time
• Open an account with an investment vendor if you do not yet have an account with that vendor and you want to move some of your plan money to it
• Change your contribution amounts

Alternatively, if you wish to enroll in writing, you may obtain the forms by logging on to www.bu.edu/hr/home/forms. Upon request, forms will be mailed directly to you by Human Resources. Completed forms must be returned to Human Resources at 25 Buick Street. You need use only one method of enrollment—online or paper—not both. Paper enrollments will be processed as soon as possible after receipt.

If you previously participated in another 403(b) or other type of tax-deferred plan (such as a 401(k) plan) with a previous employer, you may be able to rollover your account balances from that plan to the Boston University Supplemental Retirement and Savings Plan, provided you meet the plan’s rules and the rules of the investment vendors. Human Resources can provide you with further information on rollovers.

Changing or Stopping Your Elections
You can make changes in your elections at any time online or by filling out a form available from Human Resources. Your change will be reflected in the next paycheck you receive following the date of your online change or the date Human Resources receives your election. You may stop or resume contributions, or you may change from making before-tax contributions to making Roth after-tax contributions, or vice versa. You cannot take back any contributions or change your tax status once they are made.

Your ability to change your investment choices, or to transfer investments from one investment option to another, depends on your choice of investments. Some funds (such as TIAA traditional annuities) have limitations on transfers out; other funds may restrict investments in and out within a short time to prevent...
For Retirement Plan purposes, you should be familiar with the following terms:

**Base Salary**
- This is your base pay from the University, including any stipend or other payments coded for payroll purposes as benefits-based overpay or, excluding overtime, one-time payments, other overpay payments, commissions and bonuses, or the value of any employee benefits.
- Base salary amounts contributed under a salary reduction agreement to a 403(b) plan or to the Flexible Benefits Program or for pre-tax transporta-

**Integration Level**
- This is an amount calculated for purposes of the Social Security Law, or the change in the Consumer Price Index (Wages), whichever is smaller.

**The University Retirement Plan 1965**
- You may file an election to switch to the new contribution formula effective with the beginning of any calendar year. Once you do so, you may not go back to the old (1965) contribution formula again.
- Whether you are better off remaining under the 1965 formula or switching to the new formula will depend on your personal circumstances. You should assess your situation each year prior to January 1, when you switch to the new plan formula. To help you with your decision, Human Resources can provide you with the Integration Level for the coming calendar year and inform you what the contribution rates would be for the year under the 1965 formula or the new formula based on your current base salary.

You should consult a professional financial advisor for investment and financial planning assistance or an advisor for investment advice and financial planning assistance before choosing an investment option. Further information may be obtained directly from the investment vendors. You should read the prospectus or other information describing an investment fund carefully before investing.

**Selected Investments**
- The investment funds offered under the Retirement Plan (that is, the Vanguard Target Retirement Funds, Core Mutual Funds, and Core Annuity Accounts) have been specifically chosen by the University as a result of a careful review, and provide participants with the option of managing their own asset allocations or allowing professional investment managers to balance the investments. The investment funds offered are professionally managed and monitored on a quarterly basis.

**BrokerageLink®**
- BrokerageLink® is designed for willing investors who prefer to exercise more control over their investments. Opening a brokerage account will allow you to low-cost invest your retirement savings in mutual funds that are not included in Boston University’s core investment lineup. While a brokerage account offers expanded flexibility, it also comes with additional personal responsibility and risk. The University does not select or monitor the investments. That task falls to you. These investments are available through Fidelity. If you would like to elect these funds you will have to establish an account with Fidelity.
these funds you will have to establish an account with Fidelity. To obtain a detailed description of the investment options offered through Fidelity and TIAA-CREF, you should contact Human Resources.

### Designated Default Investment

Under the Boston University Retirement Plan and the Supplemental Retirement and Savings Plan (the “Plans”), any contributions for which you do not provide investment direction will be invested in the Plans’ designated default investment (the “Plans’ Designated Fund”). The Plans have selected the Vanguard Target Retirement Funds as the Plans’ Designated Fund, effective December 31, 2013.

The Vanguard Target Retirement Funds are the Plans’ Designated Fund. The Designated Fund is based on the assumption that a participant will retire at age 65. If you do not provide investment direction, your contributions will be directed to the Plans’ Designated Fund, effective December 31, 2013.

### Investment Restrictions

Each investment vendor places certain restrictions on your investments. For complete, current details on restrictions, you should refer to the printed materials available from each of the investment vendors. Following are explanations of some of the important restrictions.

The following rules apply to how future contributions to the Retirement Plan are invested:

1. You may choose to invest your own future before-tax contributions in the TIAA-CREF funds or funds available through Fidelity in this plan, but you cannot split your contributions between the two. Similarly, University contributions cannot be split. This means that you could invest all of your own contributions through TIAA-CREF and all of the University’s contributions through Fidelity, or vice versa, but you cannot otherwise split the contributions between TIAA-CREF and Fidelity.

2. If you choose to invest your before-tax contributions and University contributions through TIAA-CREF funds, you can split contributions between TIAA and CREF in any combination you choose.

3. If you choose to invest through Fidelity (investments through Fidelity are available for both pre-tax and Roth after-tax contributions), you can split contributions among the available plan options in any combination you choose.

4. Subject to the restrictions on Roth after-tax contributions, you can change your choice of where to invest future contributions as often as once a month.

The following rules apply for moving account balances from one investment vendor to another:

1. For a TIAA Group Retirement Annuity Account issued after June 1, 2005: While you are employed at the University transfers can be made out of the TIAA Traditional Annuity Account into CREF or Fidelity by use of a transfer pay-out annuity but only by spreading the amount transferred out over a nine-year period. At termination of service, transfers may be made from the TIAA Traditional Annuity Account to CREF or Fidelity over a five-year period, or, within the first 120 days following separation from service, in a lump sum, which is subject to a 2.5% surrender fee.

For a TIAA Retirement Account issued prior to June 1, 2005: Transfers can be made out of the TIAA Traditional Annuity Account into CREF or Fidelity by use of a transfer payout annuity but only by spreading the amount transferred out over a nine-year period.

2. Transfers out of CREF into TIAA or Fidelity may be made in any amount at any time.

3. Transfers out of Fidelity into TIAA or CREF may be made in any amount at any time, except that TIAA and CREF cannot accept Roth after-tax contributions.

4. Transfers among the fund options available through Fidelity may be made at any time, but a fee may be charged if more than four transfers are made in a calendar year.

### Contribution Limitations

The tax laws limit the amount of before-tax, after-tax Roth, and after-tax non-Roth contributions that you can make each calendar year.

Under the current rules, these limits will not affect your ability to make the required employee 3% of base salary contributions (or contributions under the grandfathered 1965 plan if you are still under that formula).

Internal Revenue Code Section 415 also places a limit on the total amount which may be contributed by you (before-tax, after-tax Roth, and any other after-tax non-Roth contributions) in a calendar year. If the sum of your contributions and the University’s contributions exceed any of the limits, certain IRS-mandated reductions apply.

Lastly, matching contributions by the University are subject to the requirements of Internal Revenue Code Section 401(m). If these requirements are not satisfied, matching contributions for certain participants may have to be reduced. If the 401(m) limitation should affect you, any amounts that would be reduced or returned on your behalf will be returned to you and will be mailed to you in the form of a check by your investment vendor.

This amount will be treated as taxable income, and you will receive a Form 1099 for the tax year in which you receive the returned contributions from your investment vendor for tax filing purposes.

Refer to “How Much You and the University Contribute” for further contribution limitations.

### Forms of Payment

Your Retirement Plan benefits will normally start when you retire or you may also start your benefits once you reach age 65 regardless of whether you are retired or still employed. However, if you wish, you may postpone the start of your benefits while you are still working for the University.

You have some choices as to the form of payment of your retirement benefits. However, if you are married, you should consult your annuity or pension provider to determine the form of payment that is best for you.

### In-Plan Roth Conversion

You may elect to convert all or a portion of your BU Retirement Plan Account (other than your Roth Contribution Account) to a Roth Contribution Account as an In-Plan Roth Conversion. This Conversion actually occurs within the Retirement Plan. You do not receive a check and then contribute it to the Retirement Plan. A key benefit of a Roth is the potential for federal tax-free earnings and withdrawals. Converting to a Roth 403(b) can be beneficial if you expect your tax rate to increase in the future, because you pay taxes on the money you convert now. You are advised to consult a tax advisor to better understand these requirements. The full amount of any conversions to a Roth 403(b) processed in a calendar year will be considered taxable income in that calendar year.

You may take a distribution from your Roth 403(b) funds only if you are eligible, otherwise your funds are subject to the rules of the Retirement Plan. An eligible distribution is (i) a distribution to an active Member on or after attaining age 65; (ii) a distribution made upon termination of employment, becoming disabled, or retiree; (iii) a distribution upon the Member’s death; or (iv) any distribution that would otherwise qualify as an eligible rollover distribution.

### Other Restrictions or Requirements May Apply

See the disclosure materials for any investment option you are considering.

### Statements of Your Accounts

You will receive quarterly statements by mail directly from TIAA-CREF. Fidelity’s quarterly statements are available online at Fidelity NetBenefits at https://nb.fidelity.com/public/nb /bu/home.

### Contributions for Future Retirement

If you wish to defer part of your pay toward your retirement, contact Human Resources to have your contributions sent to the Retirement Plan.

### Investment Services

Additional information about the investment options and their performance may be obtained from the plan’s investment services.
planning. Consult a qualified advisor if you have any questions.

Descriptions of the forms of payment provided by each of the investment vendor follow.

Fidelity
Lump Sum You may elect to receive a lump sum distribution from Fidelity for the full value of your accounts at the time of the payment.

Installment Withdrawal Program As an alternative, you may elect to maintain your account balances with Fidelity and receive periodic withdrawals from your account until you have exhausted your account balances. You may designate the amount and the frequency of these withdrawals (subject to certain minimums required by the tax law).

Rollover You may also elect to roll over all or a portion of the account balances in your Fidelity account into an individual retirement account (IRA) or another plan you participate in that accepts rollovers, provided you meet certain tax law requirements. If you wish, you may use the proceeds of your account to purchase an annuity through TIAA-CREF or another insurance company. You may wish to consult with your financial advisor before selecting this option.

TIAA Traditional Annuity
A lifetime annuity may be received from your TIAA Traditional Annuity Account. Lifetime annuity income is the only payment method that ensures you will never outlive your retirement income. It is also a permanent arrangement. Once you begin receiving payments, you may not stop them. The actual amount of income you receive at retirement depends primarily on the amount in your TIAA account, your age when payments begin, and the form of payment you choose (see “Annuity Forms of Payment”).

For Group Retirement Annuity (GRA) contracts issued after June 1, 2005, you may also receive a fixed period annuity of five to thirty years (subject to IRS restrictions). At the end of the fixed period chosen, all payments cease.

TIAA cash withdrawals can be taken in ten substantially equal payments over a period of nine years. Once the amount of your TIAA annuity payment is determined, it can be increased or decreased by changes in dividends, but cannot fall below the contractually guaranteed level.

Annuity Forms of Payment
The following CREF forms of payment are also available from any TIAA Real Estate Account with respect to amounts attributable to contributions made before January 1, 2014.

Lump Sum You may receive a lump sum distribution from CREF for all or part of the full value of your accounts at the time of payment.

Fixed Period Payments CREF accumulations may be taken over any period between two and thirty years, subject to IRS restrictions. At the end of the selected period, payments will end.

Annuity: A lifetime annuity may be received from your CREF Account. Lifetime annuity income is the only payment method that ensures you will never outlive your retirement income. It is also a permanent arrangement. Once you begin receiving payments, you may not stop them. The actual amount of income you receive at retirement depends primarily on the amount in your CREF account, your age when payments begin, and the form of payment you choose (see “Annuity Forms of Payment”).

For Group Retirement Annuity (GRA) contracts issued after June 1, 2005, you may also receive a fixed period annuity of five to thirty years (subject to IRS restrictions). At the end of the fixed period chosen, all payments cease.

TIAA cash withdrawals can be taken in ten substantially equal payments over a period of nine years. Once the amount of your TIAA annuity payment is determined, it can be increased or decreased by changes in dividends, but cannot fall below the contractually guaranteed level.

CREF Forms of Payment
The following CREF forms of payment are also available from any TIAA Real Estate Account with respect to amounts attributable to contributions made before January 1, 2014.

Lump Sum You may receive a lump sum distribution from CREF for all or part of the full value of your accounts at the time of payment.

Fixed Period Payments CREF accumulations may be taken over any period between two and thirty years, subject to IRS restrictions. At the end of the selected period, payments will end.

Annuity: A lifetime annuity may be received from your CREF Account. Lifetime annuity income is the only payment method that ensures you will never outlive your retirement income. It is also a permanent arrangement. Once you begin receiving payments, you may not stop them. The actual amount of income you receive at retirement depends primarily on the amount in your TIAA account, your age when payments begin, and the form of payment you choose (see “Annuity Forms of Payment”).

For Group Retirement Annuity (GRA) contracts issued after June 1, 2005, you may also receive a fixed period annuity of five to thirty years (subject to IRS restrictions). At the end of the fixed period chosen, all payments cease.

TIAA cash withdrawals can be taken in ten substantially equal payments over a period of nine years. Once the amount of your TIAA annuity payment is determined, it can be increased or decreased by changes in dividends, but cannot fall below the contractually guaranteed level.

Annuity Forms of Payment (Applies to TIAA-CREF Payments Only)

The following is a description of the types of lifetime annuities TIAA-CREF provides for moneys invested with them. These annuity options would also be available if you transferred balances invested through Fidelity to TIAA-CREF at retirement. Just before you are scheduled to start receiving your income, you will be provided detailed information by TIAA-CREF to help you choose the option that best meets your needs.

Subject to certain minimum distribution requirements, you also can choose to receive part of your TIAA or CREF accumulation under one option and the balance under another option. Of course, instead of an annuity option, you may also choose to take all or part of your accounts in cash (subject to TIAA’s rules); however, this will reduce the amount of annuity income you receive. You should note when reviewing the different annuity options that the size of the monthly payments depends not only on your age and account balances, but also on the age of your spouse or other annuitant.

Single Life Annuity Pays you an income for as long as you live. This option provides a larger monthly income for you than the other options. However, all payments will stop at your death.

Life Annuity with 10-, 15-, or 20-Year Guaranteed Period Pays you an income for as long as you live, with installments guaranteed to continue during the first 10, 15, or 20 years, as you select, whether you live or die. If you live beyond the guaranteed period, payments continue for your lifetime. If you die during the guaranteed period, payments will continue to your beneficiary for the balance of the guaranteed period.

Survivor Annuity Pays you an income for life. If your spouse (or another second annuitant you designated lives longer than you, he or she continues to receive an income for life. The amount of the income continuing to the survivor depends on which option you choose from the four options listed below. The amount of the annuity payable income you will receive is the same, irrespective of the type of annuity you choose. If you elect this option, your beneficiary will receive the full amount of your account. The income ending at your death will cease.

Three-Fourths Benefit to Annuity Partner The full amount of the annuity continues for as long as you both live. If your spouse (or other second annuitant) lives longer than you, he or she receives, for his or her remaining lifetime, three-fourths of the income you were receiving. If you live longer than your spouse (or other second annuitant), there is no reduction in your lifetime income.

1. Half Benefit to Survivor The full amount of the annuity continues for as long as you both live. If your spouse (or other second annuitant) lives longer than you, he or she receives for his or her remaining lifetime, one-half of the income you were receiving. If you live longer, benefits continue to you at the full amount.

Installment Refund (For TIAA Only)

Pays you an income for as long as you live. If you die before the full value of your TIAA account (calculated as of the date your benefit payments began) has been paid out, your beneficiary will receive the same monthly income you were receiving before your death until the remaining value of your account has been paid out. When the Retirement Plan has paid out the value of your entire TIAA accumulation, all payments stop. This option is available to those age 70½ or older who have satisfied their minimum distribution requirements.

Required Minimum Distribution Option

This option is available to those age 70½ or older who have satisfied their minimum distribution requirements. Under federal pension legislation (Retirement Equity Law of 1984), if you are married and choose any annuity method of payment other than a Survivor Annuity with your spouse as the survivor, your spouse must give written consent which acknowledges that his or her rights to survivor benefits are being waived. Your spouse’s signature must be witnessed by a Retirement Plan representative or notarized by a notary public.

Federal pension law (ERISA) provides that if you are married at the time of your death, your spouse is entitled to receive, as primary beneficiary, your qualified preretirement survivor death benefits under a retirement or tax-deferred annuity plan covered by ERISA. If you name someone other than your spouse as primary beneficiary, your spouse...
must consent to this primary beneficiary designation by completing a Spousal Waiver. Then the qualified preretirement survivor death benefit will be payable to such primary beneficiary. If you elected only a portion to be paid to the designated beneficiary, then the remainder will be payable to your spouse. If you designate your spouse as beneficiary and the individual later ceases to be your spouse, such designation will be deemed void and your ex-spouse will have no rights as a beneficiary unless redesignated as a beneficiary by you subsequent to becoming your ex-spouse or as otherwise provided under a qualified domestic relations order under Internal Revenue Code Section 414(p).

If You Die Before You Begin to Receive Benefits

If you die before your retirement income begins, the current full value of your account balances in all investment options will be payable to your beneficiary under any of the payment options elected by the beneficiary and allowed by the investment vendor (subject to IRS minimum payment rules). You choose a beneficiary at the time you enroll in the Retirement Plan, and you may change your beneficiary at any time by filing a new form with Human Resources. However, if you are married, federal law requires that your spouse be your beneficiary unless your spouse consents in writing to your naming another beneficiary and this consent is witnessed by a Retirement Plan representative or notarized by a notary public.

If your marital status changes after the time you enrolled in the Retirement Plan (you marry, divorce, or separate, or your spouse dies), be sure to contact Human Resources immediately to make any appropriate changes in your designated beneficiary. If you are divorced and then re-marry, your prior beneficiary designation(s) will become invalid and your current spouse will automatically become your beneficiary unless you designate another beneficiary with your current spouse’s written consent (witnessed by a Plan representative or notary public).

Under current federal income tax laws, your beneficiary must receive the entire value of your accounts within five years of your death. As an exception to this rule, payments may be made in the form of an annuity or installments to your designated beneficiary (including your spouse). If an annuity is paid, it must be an annuity with a guaranteed period or a fixed period no longer than your designated beneficiary’s life expectancy.

Generally, annuity or installment payments must begin by the end of the year after the year of your death. However, if your spouse is your designated beneficiary, he or she may postpone the start of benefits until a later date, but not later than the date on which you would have reached age 70 1/2.

Fidelity allows your beneficiary to receive a lump sum distribution of the account balances, to roll over your account balances into an IRA or other plan with payments under IRS minimum distribution rules, or to receive the full value of the account over a five-year period. TIAA-CREF allows you to choose one of the following options, which are explained in detail in your annuity contract(s), for payment of the death benefit, or you may leave the choice to your beneficiary.

1. Income for the life of the beneficiary with payments stopping at the time of his or her death
2. Income for the lifetime of the beneficiary, with a minimum number of payments guaranteed in any event. The period of guaranteed payments must be 10, 15, or 20 years (subject to IRS rules).
3. Income for a fixed period of years (subject to IRS rules)
4. Subject to IRS rules, the accumulation may be left on deposit with TIAA-CREF for future payment under any of the above options.
5. A lump sum distribution of the account balances or rollover into an IRA or other plan with payments under IRS minimum distribution rules.

Federal pension legislation requires that if you die leaving a surviving spouse and have not named a beneficiary, all of your death benefit will be paid to your spouse.

The selection of a beneficiary and the form of payment to the beneficiary should you die can have important income and estate tax consequences. See a qualified advisor if you have questions about these subjects.

Required Minimum Payment Rules

Payments must start by April 1 following the year you reach age 70 1/2 or terminate employment with Boston University, if later. If you do not receive or start your payments on time or if the payments are less than the required minimum amount, you will have to pay a federal tax penalty of 50% of the amount that was required to be distributed but was not distributed (unless you show reasonable cause to the

Internal Revenue Service). See the “Forms of Payment” section for your choices.

If You Become Disabled (Contribution Waiver)

If you should become totally disabled, you will be eligible for a waiver of your required contributions to the Retirement Plan. Your disability insurance, in effect, “pays” your required contributions and the University’s contributions. This benefit will continue until you recover or die, or until your disability benefit ends (see the “Long-Term Disability” section of this handbook for additional information concerning the waiver benefit).

The University pays the entire cost of this protection for you.

If You Leave the University

Prior to age 65, you may not withdraw any of the funds in your Retirement Plan accounts under any circumstances as long as you are employed at the University.

If your employment with Boston University ends at any time before you attain age 65, you are fully “vested” in all your Retirement Plan funds. You will receive payment of your accounts as follows:

Fidelity
1. You may elect to receive a lump sum distribution of your moneys invested in these accounts.
2. You may leave funds on deposit for distribution at a later date. Under current tax laws, payments must start by the April 1 following the calendar year when you reach age 70 1/2. You may not make contributions directly to your Fidelity accounts.
3. You may elect to receive a lump sum distribution of moneys invested in CREF. This may be rolled over into an IRA or other plan that accepts rollovers, provided that you meet federal tax law requirements.

TIAA-CREF
1. For Retirement Annuity (RA) contracts issued prior to June 1, 2005:
   (a) If your TIAA contract is less than $2,000 in value, you may apply for a lump sum distribution of the full value of your account. You may then roll over your lump sum payment into an IRA or other plan that accepts rollovers, provided you meet federal tax law requirements.
   (b) If your TIAA contract is at least $2,000 in value, you may begin receiving lifetime annuity payments or elect TIAA’s Transfer Payout Annuity. Under current tax laws, payments must start by the April 1 following the year in which you reach age 70 1/2 or upon retirement, whichever is later.
2. For Group Retirement Annuity (GRA) contracts issued after June 1, 2005:
   (a) You may apply for a lump sum distribution of the full value of your account within a 120-day period following your termination of employment. A withdrawal charge of 2.5% applies to such lump sum withdrawals. You may then roll over your lump sum payment into an IRA or other plan that accepts rollovers, provided you meet federal tax law requirements.
   (b) You may receive a fixed-period annuity of five to thirty years (subject to IRS restrictions).
   (c) You may roll over your account to an IRA or other plan that accepts rollovers, provided that you meet federal tax law requirements.

Tax Considerations When You Receive Benefits

Federal income tax must be withheld from the taxable portion of all Retirement Plan benefits you or your beneficiary receive, unless you or your beneficiary elect otherwise (but see the last paragraph of this section for an exception).

Under current federal law, ordinary income tax applies to payments to you from your accounts (not including qualified payments from an after-tax Roth account and not including payments considered to be a return of after-tax non-Roth contributions you have made—these are recovered without additional income tax under specific rules for determining the after-tax portion of each payment). In addition, a 10% penalty tax applies to all payments you receive before you reach age 59 1/2, except in certain situations when the payment of the funds in the annuity. The 10% penalty tax does not apply if payments are received because of your death, disability, or early retirement at age 55 or older; or in connection with a Qualified Domestic Relations Order; or in less situations which do not exceed your tax-deductible medical expenses or certain amounts spent for health insurance in the event of your extended unemployment.
You may be able to postpone payment of taxes if you are able to roll over your Retirement Plan distribution to an IRA or other plan that accepts rollovers. Any contributions in the Retirement Plan may be rolled over to an IRA or another 403(b) arrangement or qualified plan that accepts such contributions in order to continue earning tax-deferred interest or investment gains.

All cash distributions from the Retirement Plan, except those payable as an annuity or in periodic installments for at least 10 years, those payable to non-spouse beneficiaries, and those mandated by minimum distribution rules, will be eligible for direct rollover to an IRA or another plan that will accept them. If these distributions are not directly rolled over to an IRA (or to another employer 403(b) plan that will accept them), they will be subject to mandatory 20% federal income tax withholding.

Leaves of Absence

If you are granted a leave of absence at full pay, the University’s and your normal contributions to the Retirement Plan will continue. If you are granted a leave of absence at partial pay, the University’s and your contributions will be based on your reduced base salary. Your contributions will stop if you are granted an unpaid leave of absence. However, they will start again, automatically, with the first paycheck you receive when you return. If you are granted a military leave of absence, upon your return while you are protected by the veterans’ reemployment laws, the University will contribute to the Retirement Plan an amount representing the contributions that would normally have been made during your military leave provided you make the required employee contributions. Remember, if you leave work for any reason for a prolonged period of time, you should always contact Human Resources to ask what effect your absence may have on this and other University-sponsored benefits plans.

Administrative Fees

Fidelity

A Member with an account at Fidelity will be assessed a fixed quarterly fee of $16.25, which will be deducted directly from the Member’s account and reflected on his or her Fidelity participant account statements. At distribution, certain Fidelity funds may charge a redemption fee. These fees are described in the fund prospectus. In addition, expenses related to mutual fund management are assessed before mutual fund earnings are credited to your account.

TIAA-CREF

Each investment offered within a plan charges a fee for managing and operating the investment which are paid only for those investments you actually use and in proportion to the amount of your investment. These fees are not deducted directly from your account, you pay them indirectly through what is known as an expense ratio. For more information about plan fees, visit https://www.tiaa-cref.org/public/products-services/retirement/employer-sponsored/understanding-plan-fees. For Group Retirement Annuity (GRA) contracts (in the Boston University Retirement Plan) and subject to the terms of the plan, lump-sum withdrawals are available from the TIAA Traditional Annuity only within 120 days after termination of employment and are subject to a 2.5% surrender charge. All other withdrawals and transfers from the account must be spread over ten annual installments (over five years for withdrawals after termination of employment).

Loss of Benefits

There may be circumstances which may result in a reduction in the value of your account(s), such as:

- The fees/redemption charges (described above) that relate directly to your investments will be deducted directly from your account.
- A payment from your account was required under the terms of a Qualified Domestic Relations Order.
- The value of the investments in your Retirement Plan account could decrease in response to market conditions.

How to Obtain Benefits

Fidelity

You should contact Fidelity for a distribution form. Fidelity has counselors who will provide you with information that may help you in deciding which distribution option best meets your needs. TIAA-CREF

You should contact TIAA-CREF for an application for benefit payment. Before you choose a payment form, TIAA-CREF will supply you with a statement of your accounts and illustrations of your projected income under various payment options to help you decide which payment option is best for you. TIAA-CREF has consultants who will assist you in deciding which distribution option or combination of options is best suited for your individual circumstances.

Appealing a Denial

If you or your beneficiary apply for benefits and your claim is denied, in whole or in part, you may consult Human Resources for information about how to appeal the denial. Additional information about appealing a denial of benefits is included in the “Administrative Information” section of this handbook.

Other Important Information

Contributions to the Retirement Plan are subject to the provisions and limitations of the Internal Revenue Code and IRS regulations and rulings, including the contribution limits in Internal Revenue Code Sections 402(g), 401(m), and 415.

All University contributions to the Retirement Plan must be for the benefit of Plan Members and beneficiaries. Once made, the contributions cannot be taken back by the University, except if made as a result of a mistake of fact.

A mistaken over-contribution to your account by the University will be returned to the University. A contribution by you that exceeds any of the limits or is otherwise a mistake will be returned to you, in accordance with IRS rules.

Payments to Others

Your rights under the Retirement Plan cannot be assigned or used as collateral, and your accounts are not generally subject to attachment or garnishment. However, under federal law, the Retirement Plan must honor a Qualified Domestic Relations Order from a court requiring payment to a divorced or separated spouse or for child support or a lien on your accounts for payment of overdue taxes and certain other specified types of liens and attachments. A copy of the Plan’s Qualified Domestic Relations Order Procedures is available at no cost upon request to Human Resources.

Termination of Participation

Your participation in the Retirement Plan ends when you retire or otherwise terminate your employment with Boston University. It will also end if your status as a regular employee ends, or if you stop contributing. From the date that your participation ends until your accounts are fully distributed to you, you will be considered a former Member, or, if you voluntarily stopped contributions, a suspended Member.

This Plan Is Not Insured by the PBGC

Retirement Plan benefits are not guaranteed by the Pension Benefit Guaranty Corporation (PBGC), which does not cover plans such as this one with individual accounts for each participant. Upon termination of the plan, you would be eligible to receive the total amount in your accounts.