SUPPLEMENTAL RETIREMENT AND SAVINGS PLAN
In addition to the Boston University Retirement Plan, you may also accumulate funds for your future through the Boston University Supplemental Retirement and Savings Plan. Your contributions to the Supplemental Retirement and Savings Plan are made through payroll deduction and 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 and the Teachers Insurance and Annuity Association (TIAA).

The contributions you make to the Supplemental Retirement and Savings Plan may at your election be used to increase the retirement income you receive under the University’s Retirement Plan and will add to the financial security you can build with Social Security and your personal assets.

You have the choice to pay no income tax on the money you contribute to the Supplemental Retirement and Savings Plan until withdrawal. In addition, investment earnings accumulate tax-free until withdrawal. Alternatively, your contributions to the plan may be made as Roth contributions on an after-tax basis through Fidelity Investments only. If you make after-tax 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.
About the Supplemental Retirement and Savings Plan

The Supplemental Retirement and Savings Plan offers you the opportunity to set aside additional money for your future. You have a choice of contributing to the Supplemental Retirement and Savings Plan in the following ways:

Before-Tax Contributions—You pay no federal or state income tax on the before-tax money you put into the Supplemental Retirement and Savings Plan or the accumulated investment earnings until you receive it. These are referred to as “tax-deferred contributions.”

After-Tax Roth Contributions—You pay federal and state income tax on the after-tax money you put into the Supplemental Retirement and Savings 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. After-tax Roth contributions may only be made through Fidelity Investments.

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

Eligibility

You are eligible to participate in the Supplemental Retirement and Savings Plan if you are an eligible employee of the University (other than a leased employee or an employee who is a bona fide University student who is enrolled in and regularly attending University classes).

If eligible, you may begin participating in the Supplemental Retirement and Savings Plan on the next payroll following the receipt of your application.

Enrollment

Participation in the Supplemental Retirement and Savings Plan is voluntary. If you would like to enroll in the Supplemental Retirement and Savings Plan, please log on to www.bu.edu/buworkscentral and go to the Employee Self-Service section.

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 and going to the Forms & Documents section. 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 only use one method of enrollment—online or paper—not both. Paper enrollments will be processed as soon as possible after receipt.

Changing or Stopping Your Elections

You may change or stop your election at any time via Employee Self-Service at www.bu.edu/buworkscentral or by obtaining the appropriate form from www.bu.edu/hr/forms-documents.

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 reduce contributions on a prospective basis only; that is, you cannot take back any contributions once they are made.

Your ability to change your investment choices, or to transfer investments from one investment to another, depends on your initial choice of investments. You should review the restrictions in each option carefully before making your investment decision.

If you previously participated in another 403(b) plan or other type of tax-deferred plan (such as a 401(k) plan) with a previous employer, you may be able to roll over your account balances from that plan to the 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.

Tax-Deferred Contributions and After-Tax Roth 403(b) Contributions

The Supplemental Retirement and Savings Plan gives you a choice as to whether you want to make your contributions on a tax-deferred or Roth after-tax basis or a combination of tax-deferred and Roth after-tax.

- Tax-Deferred Contributions—You will not have to pay any taxes
How Much You Can Contribute

You may contribute any portion you choose of your weekly or monthly pay, subject to tax law limits. Several limits and rules apply, but the limit that will affect most participants for 2016 is $18,000 (not yet age 50) or $24,000 (age 50 or more at the end of the year). The limit applies to your combined contributions on a tax-deferred and after-tax basis to the Supplemental Retirement and Savings Plan and to the Boston University Retirement Plan.

These amounts are indexed for inflation each year, but only in $500 increments. The new limits will be communicated to participants after the IRS announces them for any particular year.

Other limits may apply in certain situations; Human Resources will communicate with you if any limit applies to your contributions.

You must contribute the same portion of your pay each payroll period, and you must make your contribution by salary reduction. No lump sum cash contributions are permitted. These rules are due to Internal Revenue Code regulations.

Note: Special rules and limits apply if, during a calendar year, you also participate in another plan maintained by a business you own or control. For example, if you have consulting or other self-employment income and participate in a self-employed plan to which you make contributions, the special rules may affect you. If this situation applies to you, consult a qualified tax professional for advice on how the limits apply to you.

Investment Choices

You choose how contributions to your accounts will be invested from among the following investment vendors. Boston University has no responsibility for your choice of investments. Since you choose the investment options for the account, you have the responsibility for the financial results. The Supplemental Retirement and Savings Plan is intended to be a participant-directed plan as described in Section 404(c) of the Employee Retirement Income Security Act of 1974 as amended (ERISA) and Department of Labor regulations governing section 404(c) plans. This means that fiduciaries of the Supplemental Retirement and Savings Plan are relieved of liability for any losses that are the result of investment instructions given by a participant or beneficiary under the participant-directed investment feature of the Supplemental Retirement and Savings Plan.

You should consult a professional financial 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 carefully before investing.

Selected Investments

The investment funds offered under the Supplemental Retirement and Savings 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.

The Vanguard Target Retirement Funds offer “one-stop shopping.” They are low-cost “Target Retirement Funds” that correspond to a range of target retirement years or the year in which you will turn 65, and automatically rebalance between stocks and bonds to become more conservative as you approach retirement. The Target
Retirement Funds are the Plan’s Designated Default Investment. These investments are available through Fidelity. If you would like to elect these funds, you will have to establish an account with Fidelity.

Core Mutual Funds offer the flexibility to “create your own mix,” that is, to design a diverse portfolio without having to sort through many fund choices. Participants looking for a specific asset allocation or to complement their total portfolio of investments may be best suited to choose from among the Core Mutual Funds. These investments are available through Fidelity. If you would like to elect these funds, you will have to establish an account with Fidelity.

Core Annuity Accounts offer the opportunity to “build annuity income into your mix,” that is, to receive the assurance of a lifetime income in retirement. Choose either a guaranteed annuity that’s principal protected or a variable annuity that takes on risk for greater potential rewards. These annuity investments are available through TIAA. If you would like to elect these annuities, you will have to establish an account with TIAA.

Other Investments

BrokerageLink® is designed for willing investors who prefer to exercise more control over their investments. Opening a brokerage account will allow you to continue to 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 screen these 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.

To obtain a detailed description of the investment options offered through Fidelity and TIAA, 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. For a description of the Vanguard Target Retirement Funds, see “Investment Choices.”

The Vanguard Target Retirement Funds

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 Vanguard Target Retirement Fund closest to the year in which you turn age 65, as determined by the University, based on your date of birth.

You have the right under the Plans to direct the investment of your existing balances and future University contributions to any of the Plans’ available investment options, including the right to transfer out of the Plans’ Designated Fund to another investment option. Unless you provide alternative direction, the University contributions and/or the portion of your account that is currently invested in the Plans’ Designated Fund will continue to be invested in this option.

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 investment vendor. Following are explanations of some of the most important restrictions.

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

1. You may choose to invest your own future tax-deferred contributions in the investment options available through TIAA or Fidelity Investments (investments through Fidelity are available for both tax-deferred and Roth after-tax contributions), or you may split your contributions between the two plan vendors.

2. If you choose to invest your tax-deferred contributions through TIAA, you may split contributions between TIAA and CREF in any combination you choose.

3. If you choose to invest through Fidelity, you may allocate your contributions among the available funds 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. Transfers can be made out of TIAA into CREF or Fidelity in any amount at any time.
2. Transfers can be made out of CREF into TIAA or Fidelity in any amount at any time.

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

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

In-Plan Roth Conversion

You may elect to convert all or a portion of your Supplemental Retirement and Savings 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 Supplemental Retirement and Savings Plan. You do not receive a check and then contribute it to the Supplemental Retirement and Savings Plan. A key benefit of a Roth is the potential for federally 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 Supplemental Retirement and Savings Plan. An eligible distribution is (i) a distribution to an active Member on or after attaining age 59½; (ii) a distribution made upon termination of employment, becoming disabled, or retirement; (iii) a distribution upon the Member’s death; or (iv) any distribution that would otherwise qualify as an eligible rollover distribution.

Statements of Your Accounts

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

Withdrawals While Employed by Boston University

The Supplemental Retirement and Savings Plan is intended to provide long-term savings opportunities for your retirement years. However, while you are employed, there may be circumstances in which you will need to make a withdrawal for other important financial needs.

The Internal Revenue Service places restrictions on withdrawals. You may not withdraw post-1988 contributions while still employed by Boston University unless you:

- Reach age 59½; or
- Are able to prove financial hardship

Post-1988 earnings are not available for withdrawal while you are working at Boston University until you reach age 59½.

For purposes of making financial hardship withdrawals under the Supplemental Retirement and Savings Plan, the IRS defines financial hardship as the need for funds to meet certain immediate and heavy expenses. Funds must not be reasonably available from other sources. Federal withdrawal rules limit hardship withdrawals to needs such as:

- The purchase price of your principal residence
- Higher education expenses for you or your spouse, children, or other tax dependents
- Major uninsured medical expenses for you or your dependents
- Expenses to prevent eviction from your principal residence or mortgage foreclosure
- Funeral expenses for your parents, spouse, children, or other tax dependent
- Expenses for the repair of your principal residence that would qualify for casualty deduction under federal tax rules (but without regard to the 10% limit)

The plan administrator must abide by these rules in considering requests for hardship withdrawals.

You may withdraw contributions credited to your TIAA Group SRA account prior to January 1, 1989, and related earnings at any time.

You may start making withdrawals or start receiving installment or annuity payments from the Supplemental Retirement and Savings Plan once you reach age 59½ even though you are still employed at Boston University.

Withdrawals are paid as a lump sum in cash. To make a withdrawal, you must complete and submit the appropriate withdrawal form. These forms are available directly from Fidelity Investments and TIAA.

Please note: In general, if you are under age 59½ when you make an in-service withdrawal, unless an exception applies, your money will be subject to a 10% penalty tax, in addition to regular income.
Loans While Employed by Boston University

You may borrow money against your Supplemental Retirement and Savings Plan accumulations while employed by the University. IRS rules limit the maximum loan you may take from this Plan. Through this loan feature, you have access to your Supplemental Retirement and Savings Plan accumulations, up to permissible limits, without the need to experience a triggering event including meeting the financial hardship provisions listed above. For detailed information about the loan provisions, contact TIAA or Fidelity directly.

Forms of Payment

You or your beneficiary may begin receiving payment of your Supplemental Retirement and Savings Plan benefits, other than in-service withdrawals, when you retire, die, become disabled, or terminate your employment with Boston University. Some choices regarding the form of payment are available. However, if your total account balances are $5,000 or less, the Plan has the right to pay them out in a lump sum in cash.

Any payments you receive before age 59½ may be subject to a 10% penalty tax in addition to regular income tax (see “Tax Considerations When You Receive Benefits”) unless one of a limited number of exceptions applies.

You may elect to receive a lump sum distribution of the full value of your accounts from either TIAA or Fidelity. As an alternative to a lump sum distribution, benefits attributable to contributions made to the Boston University Supplemental Retirement and Savings Plan may be received in one of the following forms.

Fidelity

Installment Withdrawal Program

As an alternative, you may elect to maintain your account balances with Fidelity and receive installment withdrawals until you have exhausted your account balances. You may designate the amount and the frequency of these withdrawals.

Rollover

You may also roll over 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 federal requirements. If you wish, you may use the proceeds of your account to purchase an annuity through TIAA or another insurance company. You may wish to consult with your financial advisor before selecting this option.

TIAA Guaranteed 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 account, your age when payments begin, and the form of payment you choose (see “Annuity Forms of Payment”).

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

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

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 30 years, subject to IRS restrictions. At the end of the selected period, payments will end.

CREF 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 account, your age when payments begin, and the form of payment you choose (see “Annuity Forms of Payment”).
needs. Information is available from TIAA to help you decide.

Subject to certain minimum requirements, you also may choose to receive part of a contract’s accumulation under one option, and the balance under another option. Of course, when you choose an annuity option, you may also choose to take a portion of your accounts in cash; however, this will reduce the amount of annuity income you receive. You should note when reviewing these options that the size of the monthly payments depends not only on your age and account balances, but may also depend on the age of your spouse or other beneficiary.

**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 continue for your lifetime. If you die during the guaranteed period, payments continue for your beneficiary for the balance of the guaranteed period.

**Survivor Annuity** Pays you an income for life. If your spouse or second annuitant lives longer than you, he or she continues to receive an income for life. The amount of the income, the smaller your own income during your lifetime. Each of these survivor options is available with a 10, 15, or 20 year guaranteed period. This provides that if both you and your spouse or second annuitant die during the first 10, 15, or 20 years (whichever you select), the option that you select continues to another named beneficiary for the balance of the guaranteed period.

1. **Full 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, the full amount of the income you were receiving.

2. **Two-Thirds Benefit to Survivor** The full amount of the annuity continues for as long as you both live. Upon your death or the death of your spouse (or other second annuitant), the payments are reduced to two-thirds of the amount that you were receiving and are continued to the survivor for life.

3. **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.

4. **Half 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, one-half of the income you were receiving. If you live longer, the benefit continues at the full amount.

**Fixed Period Annuity** Pays you an income for a fixed period you choose, from two to 10 years. If you die during the period chosen, payments in the same amount that you were receiving will continue to your beneficiary for the remainder of the period. At the end of the period, all payments stop.

**Required Minimum Distribution Option**

This option is available to those age 70½ or older who have terminated their employment with the University. Under this option, you receive periodic payments that satisfy the federal minimum distribution requirements.

**In-Plan Roth Rollovers**

A Member, Former Member, or Member’s Beneficiary who may take an eligible distribution (as defined below) may elect to convert all or a portion of his Plan Account (other than his Roth Contribution Account) to a Roth Contribution Account as an In-Plan Roth Rollover. This rollover actually occurs within the Plan. You do not receive a check and then contribute it to the 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 retirement; (iii) a distribution upon the Member’s death; or (iv) any distribution that would otherwise qualify as an eligible rollover distribution.
**Your Spouse’s Rights**

Under federal pension legislation, if you are married and you 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 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 in writing to your naming another beneficiary and this consent is witnessed by a Supplemental Retirement and Savings Plan representative or notarized by a notary public.

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 your marital status changes after you enroll in the Supplemental Retirement and Savings Plan, 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 Supplemental Retirement and Savings Plan representative or notarized by a notary public.

If you die before you begin to receive benefits

If you die before your retirement income begins, the full current 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 Supplemental Retirement and Savings 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 Supplemental Retirement and Savings Plan representative or notarized by a notary public.

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 your marital status changes after you enroll in the Supplemental Retirement and Savings 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 marry or 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, unless payments are 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 fixed period no longer than your designated beneficiary’s life expectancy.

If your spouse is your designated beneficiary, he or she may postpone the start of benefits until a later date, but until no later than the date on which you would have reached age 70½.

Fidelity allows your beneficiary to receive a lump sum distribution of the account balances, or to roll over your account balances into an IRA or another plan that accepts such rollovers, or to receive the full value of the account over a five-year period. A non-spouse beneficiary’s rollover option is limited only to a direct rollover to an IRA in accordance with federal tax law.

TIAA 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 lifetime 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 may be 10, 15, or 20 years (subject to IRS rules).
3. Income for a fixed period (subject to IRS rules).

4. Subject to IRS rules, the accumulation may be left on deposit with TIAA for future payment under any of the above options.

5. A lump sum distribution of the account balances, or rollover to an IRA or other plan that will accept the rollover.

TIAA also has a rule that if you die leaving a surviving spouse and have not named a beneficiary, part of your death benefit will be paid as an annuity to your spouse, and the balance will be paid in a single sum to your estate. The income payable to your spouse will be one half the amount that would have been payable to you had you chosen to begin your annuity payments under the option described as half benefit to survivor with a 10-year guaranteed period, on the first day of the month in which you died.

**Required Minimum Payment Rules**

Payments must start by April 1 following the year you reach age 70½ 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 Leave the University**

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

**Fidelity**

1. You may elect to receive a lump sum distribution of the moneys invested in your accounts.

2. You may leave funds on account for distribution at a later date (no later than April 1 following the calendar year when you reach age 70½). You may not make contributions directly to your Fidelity accounts.

3. You may roll over all or a portion of your account into an IRA or other plan that will accept the rollover, provided you meet federal requirements.

**TIAA**

1. You may receive a lump sum distribution of the full value of your accounts. If you take a lump sum payment, you may be able to roll over all or a portion of it into an IRA or other plan that will accept the rollover.

2. You may leave all accumulated moneys in your TIAA account and receive an annuity. You may begin receiving annuity payments at any time, but no later than April 1 following the calendar year when you reach age 70½.

3. You may leave funds in your account for distribution at a later date (subject to the age 70½ rule).

The rights for your spouse, which were described earlier (see “Your Spouse’s Rights”), also apply if you elect an annuity form of payment for benefits due when you terminate your employment with the University.

**Tax Considerations When You Receive Benefits**

Federal and state income tax must be withheld from the taxable portion of all Supplemental Retirement and Savings 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 taxable payments to you from your Supplemental Retirement and Savings Plan accounts. Qualified withdrawals from a Roth contributions account are tax-free.

A 10% penalty tax applies to all payments you receive before you reach age 59½, except payments in the form of an 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 amounts that do not exceed your tax-deductible medical expenses or certain amounts spent for health insurance in the event of your extended unemployment or to qualified withdrawals from a Roth contributions account.

You may be able to postpone payment of taxes if you are able to transfer or roll over your Supplemental Retirement and Savings Plan distribution to an IRA or another plan that accepts rollovers. All cash distributions from the Supplemental Retirement and Savings Plan except those payable as an annuity or in periodic installments for at least 10 years, those
mandated by minimum distribution rules, and hardship withdrawals, will be eligible for direct transfer to an IRA or another plan that accepts rollovers. If these distributions are not directly rolled over to an IRA (or to another employer 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, your normal contributions to the Supplemental Retirement and Savings Plan will continue (unless you make a change). If you are granted a leave of absence at partial pay, please contact Human Resources.

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 (unless you make a change).

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 benefit plans.

**Administrative Fees**

There are fees associated with loans. These may change from time to time. See Fee Disclosure at www.bu.edu/hr/documents/BN_Fee_Notice.pdf for further details.

**Fidelity**

A Member with an account at Fidelity will be assessed a fixed quarterly fee of $15.25, which will be deducted directly from the Member’s account and reflected on his or her Fidelity participant account statements. At distribution, certain mutual funds available through Fidelity may charge a redemption fee. These fees are described in each such fund’s prospectus. In addition, expenses related to mutual fund management are assessed before mutual fund earnings are credited to your account.

**TIAA**

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.org/public/pdf/compliance/tiaa04027858.pdf.

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:

- A payment from your account was required under the terms of a Qualified Domestic Relations Order.
- You failed to repay a participant loan on a timely basis and an offset of that amount occurred in your account.
- The value of the investments in your 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 financial needs.

**TIAA**

You should contact TIAA for an application for benefit payment. Before you choose a payment form, TIAA 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.

**Appealing a Denial**

If you or your beneficiary apply for benefits from the Supplemental Retirement and Savings Plan 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.
Payment to Others

Your rights under the Supplemental Retirement and Savings Plan cannot be assigned or used as collateral, and your accounts are not generally subject to garnishment. However, under federal law, the Supplemental Retirement and Savings 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 account for the payment of overdue taxes, or to satisfy certain other court orders. A copy of the Plan’s Qualified Domestic Relations Order Procedures is available at no cost upon request to Human Resources.

Correction of Mistakes

If through a payroll processing or other error, the wrong amount is taken from your paycheck or contributed to your Supplemental Retirement and Savings Plan account, or if an adjustment is necessary to meet one of the tax law limits on contributions to your accounts, Human Resources has the right to correct the mistake or make the necessary adjustment. Any over-contribution amounts debited from your accounts will be repaid to you (less withholdings, if applicable).

Termination of Participation

Your participation in the Supplemental Retirement and Savings Plan ends when you retire or otherwise terminate your employment with the University. It will also end when your status as a regular employee changes, or when 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

Supplemental Retirement and Savings 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 Supplemental Retirement and Savings Plan, you would be eligible to receive the total amount in your accounts.