As part of the BU Retirement Savings Program, you may accumulate funds for your future through the 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 be matched by the University under the Boston University Retirement Plan (subject to certain eligibility requirements and limitations) 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.

This summary provides the key terms of the Supplemental Retirement and Savings Plan in effect as of January 1, 2018. Please read it carefully to gain an understanding of how the Supplemental Retirement and Savings Plan works. Please note that nothing contained in this summary can expand or otherwise modify the benefits available under the Supplemental Retirement and Savings Plan, and if any statement in this summary is inconsistent with the terms contained in the plan document the terms of the plan document will govern.
About the Supplemental Retirement and Savings Plan

The Supplemental Retirement and Savings Plan offers you the opportunity to set aside 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 money you put into the Supplemental Retirement and Savings Plan on an after-tax basis. 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.

Eligibility

You are eligible to participate in the Supplemental Retirement and Savings Plan if you are an 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 immediately.

Automatic Enrollment for Eligible New Employees

Participation in the Supplemental Retirement and Savings Plan is automatic for new employees.

You will automatically be enrolled to contribute 3% of your eligible compensation, as defined under the BU Retirement Plan, on a tax-deferred basis and your contribution will be invested in a Vanguard Target Date Fund closest to the year in which you will turn age 65. Your first contribution to the plan will commence in the month following either your hire date or your transition to a position which is at least 50% of a full-time schedule with at least a nine-month assignment.

You may change or stop making automatic enrollment contributions at any time. You may also change the investment allocation of your contributions at any time.

Automatic Enrollment and BU Matching Contribution After Two Years of Service

Once you have completed two years of service you will be eligible to receive the University matching contributions to the Boston University Retirement Plan.

In addition, you will automatically be enrolled in the Supplemental Retirement and Savings Plan to contribute 3% of your eligible compensation as defined under the BU Retirement Plan on a tax-deferred basis if you are not already doing so when you complete two years of service. BU matches your contribution dollar-for-dollar up to 3% of your eligible compensation as defined under the BU Retirement Plan.

You may make the following changes at any time:

1. You may choose to reduce your contribution to 2% or 1% and still receive a BU Matching contribution.
2. You may choose to opt out of contributing, however, the BU matching contribution will also cease if you do not contribute at least 1% of your pay.
3. You also have the option to contribute an additional dollar amount beyond 3%, up to the IRS maximum. The University will not, however, match any employee contributions above 3%.

Changing or Stopping Your Elections

You may change or stop your election at any time at the BU Benefits Center on 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 payroll run following the date of your online change or the date Human Resources receives your election.

As a general rule, you may stop or reduce contributions on a prospective basis only. But under a special rule, you may stop making automatic enrollment contributions and withdraw prior automatic contributions if you complete a written election to do so within 90 days after automatic
contributions are first withheld from your pay. Contact Human Resources for information about how the rule works and how to make the election.

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 record keepers. 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 taxes (other than Social Security withholding) on the portion of your pay you contribute to the Supplemental Retirement and Savings Plan until your benefits are paid out to you. You may make tax-deferred contributions by entering into a “salary deferral agreement” with the University when you enroll. Your tax-deferred contributions, as well as after-tax Roth 403(b) contributions, are subject to applicable Social Security tax withholdings.

- **After-tax Roth 403(b) Contributions** (Only through Fidelity Investments)—You can choose to make your contributions on an after-tax basis. Earnings on your Roth 403(b) account are tax-free when withdrawn as long as the withdrawal is qualified. A qualified withdrawal is one that is taken (i) no earlier than the fifth calendar year after the year of your first Roth contribution and (ii) after you have attained age 59 1/2, become disabled, or die.

**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 2020 is $19,500 (not yet age 50) or $26,000 (age 50 or more at the end of the year). Please refer to the Human Resources website at www.bu.edu/hr for limits for subsequent years. The limit applies to your combined contributions on a tax-deferred and after-tax basis to the Supplemental Retirement and Savings 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 your contribution must be withheld from your weekly or monthly pay. No lump sum cash contributions are permitted.

**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 investment options available to you under the Plan. Boston University assumes 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 Plan record keeper. You should read the
Selected Investments

The investment fund groups currently offered under the Supplemental Retirement and Savings Plan are the Vanguard Target Retirement Funds, Core Mutual Funds, and Core Annuity Accounts. These funds were chosen by the University after careful review in order to provide participants with the option of managing their own asset allocations or allowing professional investment managers to balance the investments.

The Vanguard Target Retirement Funds 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 funds 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 design a diverse portfolio. 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

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® allows you to invest your retirement savings in mutual funds that are not included in Boston University’s Selected Investments. While a brokerage account offers expanded flexibility, it also comes with additional personal responsibility, risk and applicable fees. 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 available, 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 are the Plans’ Designated Fund and are intended to serve as “qualified default investment alternatives” that meet U.S. Department of Labor requirements.

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

There are certain restrictions on your investments. For complete, current details on restrictions, you should refer to the printed materials available from each record keeper. 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 and/or Fidelity Investments (investments through Fidelity are available for both tax-deferred and Roth after-tax contributions).

2. You may choose to invest your contributions among the investment options available under the Plan in any combination.
3. You can change your choice of where to invest future contributions at any time.

Transfers can be made out of any investment option to another investment option available under the Plan in any amount at any time except that any Roth contributions may not be transferred to the TIAA Traditional Annuity account or the CREF Annuity accounts.

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 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. Note that the conversion is a taxable event, but converting to a Roth Contribution Account can be beneficial if you expect your tax rate to increase in the future. You should consult a tax advisor to better understand the consequences of an In-Plan Roth Conversion before you make the decision to convert your Account.

You may take a distribution from your Roth Account 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 or online.

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 “in-service” 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

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 tax 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 by contacting the appropriate record keeper.

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 tax (see “Tax Considerations When You Receive Benefits”).

Loans While Employed by Boston University

You may borrow money from your Supplemental Retirement and Savings Plan accounts 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 accounts, up to permissible limits, without the need to experience a triggering event includ-
ing meeting the financial hardship provisions listed above. For detailed information about plan loans contact your record keeper (Fidelity or TIAA).

**Forms of Payment**

In general, you or your beneficiary may begin receiving payment of your Supplemental Retirement and Savings Plan benefits 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.

Contributions made to the Boston University Supplemental Retirement and Savings Plan may be received in one of the following forms.

**Lump Sum**

You may elect to receive a lump sum distribution for all or part of the full value of your accounts.

**Installment Withdrawal Program**

As an alternative, you may elect to receive installment withdrawals until you have exhausted your account balances. You may designate the amount and the frequency of these withdrawals (subject to certain minimums required by tax law).

**Rollover**

You may also roll over lump sum distributions from your account balances into an individual retirement account (IRA) or another 403(b) or 401(k) plan you participate in that accepts rollovers, provided you meet federal tax law requirements.

**Annuity Options**

If you wish, you may use the proceeds of your account to purchase an annuity. Please see Income Solutions, an online annuity comparison tool for more information on annuities. You may wish to consult with your financial advisor before selecting this option.

You also have the following Annuity payment options for your TIAA or CREF Annuity Accounts:

**Fixed Period Annuity Payments**

All TIAA & CREF accumulations may be taken over any period between 5 and 30 years, subject to IRS restrictions. At the end of the selected period, payments will end.

*CREF Lifetime 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”).

Once the amount of your TIAA guaranteed annuity is determined, it can be increased or decreased by changes in dividends, but cannot fall below the contractually guaranteed level.

**Annuity Forms of Payment (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 from other Plan accounts. Just before you are scheduled to start receiving your income, you will be asked to choose the option that best meets your needs. Information is available from TIAA to help you decide.

Subject to certain minimum requirements, you also may choose to receive part of an account 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 to your beneficiary for the balance of the guaranteed period.

Joint & 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 continuing to the survivor depends on which option you choose from the four options listed below. The amount of the annuity payable to you at the onset of each of these options is different; the more you choose to make payable to your survivor, 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. If you live longer than your spouse (or other second annuitant), you will receive 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 than your spouse (or other second annuitant), you will receive half of the income you were receiving.

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

Under federal tax law, participants are required to begin benefit payments upon the latter of reaching age 70½ or terminating employment with the University. Under this requirement, if you have multiple 403(b) accounts, you may calculate your required minimum distribution for each 403(b) account, total the amounts, and take the total required minimum distribution from any one or more of your 403(b) accounts.

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.

The Employee Retirement Income Security Act of 1974 (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. The qualified preretirement survivor death benefits 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 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 record keeper (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.

Your beneficiary may 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.

If you have a TIAA Traditional or CREF Annuity account you may also choose the following options 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 a fixed period (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 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.

Required Minimum Payment Rules

Under federal tax law, participants are required to begin benefit payments upon the latter of reaching age 70½ or terminating employment with the University. Under this requirement, if you have multiple 403(b) accounts, you may calculate your required minimum distribution for each 403(b) account, total the amounts, and take the total required minimum distribution from any one or more of your 403(b) accounts.

If You Leave the University

You are fully “vested” in all of your Supplemental Retirement and Savings Plan account balances. Therefore, if your employment ends, you will be entitled to receive payment of your accounts as follows:

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 accounts.
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.

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 59 ½, 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 or partial pay, your contributions to the Supplemental Retirement and Savings Plan will continue (unless you make a change). 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, which will be deducted directly from the Member’s account and reflected on his or her Fidelity participant account statements. For the most up to date information on this fee, please visit http://www.bu.edu/hr/finances/supplemental-retirement-savings-plan/plan-costs/

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

A member with an account at TIAA pays recordkeeping fees to TIAA through “plan services expense offsets.” These offsets are deducted directly from investment balances based upon the total assets in an account. The amount of offsets applied to TIAA’s recordkeeping fee are assessed on a quarterly basis, with each quarterly assessment capped at a fixed, per-participant amount.

All plan services expense offsets generated by TIAA investments are credited back to accounts, less the recordkeeping fee assessed by TIAA. If the offsets generated by investments are equal to or less than TIAA’s quarterly recordkeeping fee, no offset amounts will be credited back to participants. For the most up to date information on this fixed amount, please visit http://www.bu.edu/hr/finances/.
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.
- 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 Begin Benefit Payments

You should contact your record keeper for a distribution form. They have counselors who will provide you with information that may help you in deciding which distribution option best meets your financial needs.

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. From the date that your participation ends until your accounts are fully distributed to you, you will be considered a former 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.

Additional Administrative Information.

For additional information such as plan administrative information and your rights under ERISA, please refer to the Administrative Information section of this Handbook.