DEFERRED COMPENSATION PLAN 457(b)

Employees may participate in the Deferred Compensation Plan (457(b)) for the purpose of supplementing Basic Retirement Plan contributions.

Eligibility

Faculty and Staff, regardless of age, length of service, or benefits FTE, (excluding student workers, graduate assistants, on-call employees, etc.) are eligible to participate in the 457(b) Deferred Compensation Plan as long as they have ***"elected to defer"*** the maximum 402(g) amount allowable to the university's Supplemental Retirement Plan 403(b).

Effective Date of Participation

Participation is effective the first of the month following submission of a 457(b) Deferred Compensation Plan Salary Reduction Agreement form and completion of account application forms.

Contributions to the Plan

457(b) Deferred Compensation Plan contributions are withheld each pay period as a flat dollar amount ($50 pay period minimum) up to the Internal Revenue Service maximum allowance. Contributions made to the 457(b) Deferred Compensation Plan are withheld voluntarily and are made on a tax-deferred basis, thus reducing federal and state income tax.

Elective Deferral Limits

Section 457(b)(2) of the Internal Revenue Code provides annual elective deferral limitations on contributions to the 457(b) Deferred Compensation Plan. There are three deferral limitation levels applicable to employees. **<u>These tax shelter maximums may not apply to every employee</u>.**

- 457(b)(2) limit
- 414(v)(2) catch-up limit for employees age 50 and over ***(or)****
- 457(b)(3) catch-up limit for employees within 3 years of Normal Retirement Age (65)

*The participant may elect the greater of the 414(v)(2) limit or the 457(b)(3) limit, but not both.

Contribution Allocation

Employees may allocate contributions among or between TIAA-CREF and Fidelity Investments in any whole-number percentage, including full allocation to any option. Once participation begins, allocation changes of future premiums may be made at any time by contacting the respective investment company.

Investment Alternatives

Participants may invest contributions with TIAA-CREF or Fidelity Investments. Both retirement plan investment companies are committed to offering a wide range of investment options while providing the educational resources to help plan for a successful retirement.

Participants may invest retirement plan contributions among the following categories.

- Money Market

- Bonds (Fixed Income)
- Stocks (Equities)
- Guaranteed Annuity
- Lifecycle Funds

More detailed information is available from the Campus Benefits Office or TIAA-CREF and Fidelity Investments.

Transfer of Funds

457(b) Deferred Compensation Plan funds may be transferred among or between TIAA-CREF and Fidelity Investments at any time.

Rollover of Funds

Employees may rollover funds only from another governmental employer's 457(b) Deferred Compensation Plan to the university's 457(b) Deferred Compensation Plan only if the original retirement plan in which the funds were contributed provided for the rollover of funds.

Loan Provision

457(b) Deferred Compensation Plan accumulations (regardless of when funds were contributed) may not be accessed during active employment via a loan request.

Access to Funds

As required by governing law, employees generally are not permitted to receive a distribution from University of Nebraska retirement plan accumulations from the Basic 401(a), SRA 403(b), and Deferred Compensation 457(b) plans while actively employed by the university in any full-time, part-time, temporary, on-call, etc., position. Employees who have attained normal retirement age with an employment status of .50 FTE or less may access Basic 401(a) Retirement Plan accumulations. Employees who have attained normal retirement age may access SRA 403(b) Retirement Plan accumulations. Otherwise, accumulations may be accessed after termination of employment. Unless the distribution is rolled over to an eligible retirement plan, funds received from the retirement plans are taxable. In some cases, a 10% excise tax will be assessed. Participants should seek competent tax advice before receiving a distribution.

The university will only approve retirement plan distributions for those retired and/or separated employees where there is no expectation or pre-planned agreement of future employment by the university. To assure compliance, if a separated employee receives a retirement plan distribution, he or she generally may not be reemployed by the University of Nebraska in any paid position for a period of 12 months from date of separation. This includes any full time, part time, temporary, or on-call employment position.

Qualified Domestic Relations Order

A Qualified Domestic Relations Order (QDRO) procedure has been established to accommodate the interests of divorcing parties. Upon receipt of a final properly worded QDRO, a separate retirement plan account will be established and maintained by TIAA-CREF and/or Fidelity Investments on behalf of the non-participant spouse (Alternate Payee). TIAA-CREF and/or Fidelity Investments should be contacted to initiate the QDRO process.

TIAA-CREF	Divorce Unit, 8500 Andrew Carnegie Boulevard, Charlotte NC 28262
Fidelity	https://qdro.fidelity.com

Retirement Plan Forms

- Deferred Compensation 457(b) Plan Salary Reduction Agreement
- TIAA-CREF 457(b) Deferred Compensation Plan Enrollment Form
- TIAA-CREF Beneficiary Form
- Fidelity Investments 457(b) Deferred Compensation Plan Application
- Fidelity Investments Beneficiary Form

Retirement Plan Contacts

- TIAA-CREF (800) 842-2776
- Fidelity Investments (800) 343-0860

Visit the TIAA-CREF Home Page

Visit the TIAA-CREF Micro Web Site

Visit the Fidelity Investments Home Page