

BASIC RETIREMENT 401(a) PLAN SUMMARY

The University of Nebraska provides employees a retirement plan for the purpose of accumulating lifetime retirement income through participation in the Basic Retirement 401(a) Plan.

Eligibility

Mandatory Participation

- Employees age 30, who are employed in a regular budgeted position, and who have completed two years of service and possess an employment status equal to one-half full-time equivalency (.5 FTE) or greater are required to participate. Certain positions may be excluded from participation.

Voluntary Participation

- Employees ages 26-29, who are employed in a regular budgeted position, and who have completed two years of service and possess an employment status equal to one-half full-time equivalency (.5 FTE) or greater may participate voluntarily. Certain positions may be excluded from participation.
- Employees declining voluntary participation when initially offered may not participate until the mandatory participation requirements are satisfied.

Employees who satisfy the eligibility requirements for participation except for the two-year service provision may enroll if they can prove qualifying service with a prior employer whose primary purpose or activity provided a formalized program of education.

Effective Date of Participation

Mandatory Participation

- Participation is effective the first of the month coincident with or following satisfaction of the eligibility requirements.

Voluntary Participation

- Participation is effective the first of the month coincident with or following satisfaction of the eligibility requirements.
- Participation for employees who decline voluntary participation is effective the first of the month coincident with or following satisfaction of the mandatory participation eligibility requirements.

Contributions to the Plan

Both the employee and the university contribute to the Basic Retirement 401(a) Plan based on a percentage of the employee's salary. All employee contributions are withheld on a tax-deferred basis, thus reducing federal and state income tax. The employee may choose between two levels of participation:

	Employee Contribution	University Contribution	Total
Tier 1	3.5%	6.5%	10.0%
Tier 2	5.5%	8.0%	13.5%

Employees initially electing Tier 1 may, at a later date, change to Tier 2 effective each July 1st (election form must be submitted by June 1st). No change will be permitted from Tier 2 to Tier 1.

Vesting

All contributions, including those made by the university, are vested immediately upon participation.

Contribution Allocation

Employees may allocate Basic Retirement 401(a) Plan 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 Basic Retirement 401(a) Plan 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 TIAA-CREF and Fidelity Investments websites.

Transfer of Funds

Basic Retirement 401(a) Plan funds may be transferred among or between TIAA-CREF and Fidelity Investments at any time. Certain conditions apply when transferring money from TIAA.

Rollover of Funds to the University's Basic Retirement 401(a) Plan

Employees may not rollover retirement plan funds from another retirement plan to the university's Basic Retirement 401(a) Plan. This includes rollovers from a previous employer's plan, personal IRA, self-employed retirement plan, etc. or any other retirement plan such as a qualified Defined Benefit plan, qualified Defined Contribution plan, 401(a), 403(b), 401(k), SEP, or Governmental 457 pension plan.

Access to Funds during Active Employment

As required by governing law, employees generally are not permitted to receive a distribution from University of Nebraska retirement plans including the Basic Retirement 401(a), Supplemental Retirement 403(b), and Deferred Compensation Retirement 457(b) while actively employed by the university in any full-time, part-time, temporary, oncall, etc., position. Active employees who have attained age 62 with an employment status of .50 FTE or less may access Basic Retirement 401(a) Plan accumulations. Accumulations may however, 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, a separated employee who receives a retirement plan distribution 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 oncall employment.

Retirement Plan Contacts

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