TDI Guide

Tax-Deferred Investment 403(b) Plan (TDI) Guide 2020

When considering your financial future, there are many issues you'll want to consider. This guide will help walk you through these issues.

This guide is relevant to Oregon Public Universities' employees and OSU Clinical Interns. Students are not eligible.

Disclaimer – Please read carefully

The TDI Guide is intended to assist in the administration of the plan, and it includes a summary of common TDI Plan provisions. To obtain additional information about the Plan, talk to your university benefits office for specific assistance or view the official plan document here.

In the case of conflict between this guide and the official plan documents of the TDI and Oregon state law, the official plan documents, Oregon state law, and federal regulations will govern.

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Introduction

The Tax-Deferred Investment 403(b) Plan (TDI) allows you, on a voluntary basis, to accumulate savings to support your employer retirement plan (OPSRP/PERS or the Optional Retirement Plan (ORP)) and Social Security through your choice of annuities and mutual funds. Authority to offer the TDI is granted by the state of Oregon under ORS 243.820-.830 and Section 403(b) of the Internal Revenue Code.

Most Oregon Public University employees and OSU clinical interns are eligible to participate in the TDI plan. This includes full- and part-time employees. Student employees may not participate in this plan. Employees who are nonresident aliens, who receive no earned income from sources within the U.S. are not eligible.

This TDI Guide is a general overview of the Tax-Deferred Investment 403(b) Plan. It is not intended to be an exhaustive study of investments, nor does it provide investment or tax advice. The TDI Guide does not recommend that you participate in the TDI plan. The decision to participate and selection of investment vehicles belongs to each participant, based on factors personal to the participant. In case of conflict between the TDI Guide, official plan documents, and federal state laws regulating IRC 403(b) plans, the official plan documents and laws govern.

Notes to Participants

The TDI Guide describes the Tax-Deferred Investment 403(b) Plan in general terms applicable to IRC 403(b) plans, and provides basic information you need to participate in the TDI.

This TDI Guide relies on Treasury and IRS regulations, but does not outline all of the requirements of these regulations. Oregon Public Universities Retirement Plans are not responsible for points not covered. Oregon Public Universities Retirement Plans maintain the right to amend or discontinue the Tax-Deferred Investment 403(b) Plan to comply with regulations or changes in the law or policy or to improve performance or operation of the plan.

For employees hired before July 1, 2014, Oregon Public Universities Retirement Plans are not responsible in any way for an employee’s choice to participate in the plan or an employee’s choices once in the plan.

Employees hired on or after July 1, 2014 as academic or administrative faculty eligible to participate in the Optional Retirement Plan (ORP) are responsible to consider participating in the 403(b) plan in order to receive a Tier Four ORP Employer Match. See the TDI Match in ORP Tier Four Supplement.

If you have additional questions about the Tax-Deferred Investment 403(b) Plan, contact your campus benefits office. For information on investments or tax implications of participating in the TDI plan, consult a financial or tax advisor.

TDI at a Glance

Eligibility	Most university employees and OSU Clinical Interns. Students are not eligible.
Waiting Period	None. Eligible employees may enroll any time.
Investments	Mutual funds and annuities.
Enrollment	• Enroll prior to 10th day of the month contributions begin. • Permitted any month of the year. • Both a Voluntary Savings Form and TDI provider's application are required to complete enrollment. • Enrollment is restricted to one provider/program at a time.
Changes	• Contribution, as a percent of pay, may be changed throughout the year. • SRA must be received by 10th of change month. • Provider/program may be changed once per calendar year.
Stopping Contribution	A "0%" SRA must be received by 10th of month to terminate contributions.
Pre-Tax Contributions	• Voluntary salary deferral, non-taxable as income in the year deferred. • Not reported as W-2 wages, except for FUTA, Medicare, Social Security. • Taxed as ordinary income when account distribution received. • Earnings plus contributions taxable to participant when distributed.
Roth Post-Tax Contributions	• Taxed as ordinary income when contributed. • Earnings are not taxed when received as a qualified distribution.
PERS/ORP Contributions	Not reduced by TDI contributions.
ORP Tier 4 Match	ORP participants hired on or after July 1, 2014 receive a matching contribution to the ORP, equal to the percent of salary (up to 4%) that is contributed to the TDI voluntary plan.
PERS Service Credit Purchase	TDI funds may be used to restore previously forfeited creditable service time or purchase retirement credit in PERS. Additional information on this process is available from PERS.
Annual Maximum Contribution (2020)	• General Limit: $19,500 • Age 50+ Catch-up: $6,500
Minimum Contribution	At least $25.00 per month, as a whole percent of pay (1%, 2%, etc.).
Distributions	• Allowed at service separation, death, or age 59 ½. • 10% early withdrawal penalty before age 59 ½ or age 55 retirement. • Minimum distribution required after age 72 or post-72 retirement.
Loans	Loans are allowed in the TDI plans, up to an aggregated limit for all plans and dependent on provider guidelines. As of September 1, 2016, participants may only have two (2) outstanding loans out at any given time. Participants will be ineligible for another loan until they have only one (1) outstanding loan remaining. In the event of a loan default, the participant will be ineligible for a new loan until the defaulted loan is paid in full.
Hardship Withdrawals	Withdrawals are permitted for specific IRS safe harbor hardship purposes.
In-Service Withdrawals	Withdrawals permitted after age 59 ½.
Rollovers	Permitted from and to PERS, qualified IRAs, 401(a), 403(b), and 457 plans, subject to approval of receiving plans.

TDI at a Glance (Cont'd)

Account Consolidation	Transfers from discontinued TDI companies are permitted to the TDI with currently active plan sponsors (TIAA, Fidelity, AIG – if eligible). No transfers or contract exchanges are permitted to discontinued TDI companies.
Providers	The TDI is offered by the following companies: • TIAA • Fidelity Investments • AIG (closed to new participants)

Section 1 – TDI Roles and Responsibilities

Role as Sponsor of the TDI Plan

Oregon Public Universities' role in the TDI plan is to send your payroll deduction contribution to a provider approved for participation in the Tax-Deferred Investment 403(b) Plan.

The Oregon Public University Retirement Plans officers will:

- Deduct monies from your paycheck, based on your Voluntary Savings Form instructions.
- Forward your contribution to the TDI provider/program you designate.
- Select providers to provide administration services and a choice of investments.
- Provide plan forms, documents, employee guides, and direct access to providers' services.
- Select and monitor core investments available in the TDI program.
- Approve loans, hardship withdrawals and other distribution requests as received from Providers.
- Match TDI contributions up to 4% of pay for ORP Tier Four Participants.

The Oregon Public Universities' role does not include:

- Recommending participation in the TDI plan, except to explain that ORP Tier Four Participants receive a TDI-matching contribution to the ORP.
- Advising employees about investments or the tax consequences of their investing decisions.

Participant's Responsibilities

The TDI plan allows you to exercise direction in your investments, and requires that you, as a participant, be solely responsible to:

- Decide whether to participate in the TDI Plan.
- Decide which investment options to use, and how much to invest.
- Research and understand the provisions of investments you select.
- Understand the tax implication of investing through this Plan.
- Correctly execute enrollment and change procedures.
- Request loans, hardship withdrawals, and other distributions from Providers.
- Ensure that your contributions are limited so as not to cause a maximum limits violation if you have contributed to other outside 403(b) or 401(k) plans. Contributions to those plans must be combined with our 403(b) plan in applying the limits. It is your responsibility to monitor these limits, and if you do exceed them, you will have to request a return of the excess from the outside plan.

TDI Providers' Responsibilities

TDI Providers approved to offer investments through the TDI plan agree to abide by guidelines on campus solicitation, errors and omissions insurance of agents representing them, and compliance with federal and state regulations applicable to IRC 403(b) plans.

Section 2 – TDI Provisions

The TDI Plan offers, generally, the features of a 403(b) plan, as described below. Where the TDI Guide varies from Internal Revenue Code, state and federal tax laws, participant contracts, or plan documents, these documents prevail. Provisions noted in this guide are subject to change to comply with law and as directed by the Oregon State Board of Higher Education.

Tax Treatment

Oregon Public Universities Retirement Plans cannot advise you about the tax treatment of your TDI account. This guide states only general rules, and tax rules are subject to periodic changes. For reliable tax information you should consult your tax advisor.

The income you contribute as TDI contributions is subject to Social Security and Medicare taxes (FICA). Those taxes are withheld on your full compensation, before your payroll deduction to the TDI Plan is made. Therefore, participation in the TDI plan will not affect your Social Security or Medicare benefits.

No Effect on ORP or PERS/OPSRP Contributions

Participation in the TDI Plan does not affect your retirement benefits from other retirement plans, including Tier One, Tier Two, and Tier Three participants of the Optional Retirement Plan and PERS/ OPSRP. These retirement plans calculate your benefits using your gross income, which includes your tax-deferred contributions to TDI investments. Your TDI participation does not limit your participation or deferrals to the voluntary Oregon Savings Growth Plan through PERS.

Optional Retirement Plan (ORP) Tier 4 Employer Match

Tax-deferred contributions to TDI investments that determine an ORP Tier 4 Employer Match Contribution are included in the TDI Annual Maximum Contribution. In all other respects, the effect on ORP or PERS/OPSRP Contributions in the same as for Tiers One, Two and Three.

Saver's Credit for Mid-to-Low Income Investors

TDI participants may be eligible for a tax credit. The Saver's Credit provides a tax credit for middle to low income participants using an employer's retirement savings plan. This credit is in addition to the tax deferral advantage provided by the TDI Plan. The income limits are indexed for inflation. To see if you qualify for the credit, information is available through any tax counselor, your TDI investment provider, or the Internal Revenue Service. You can also view a summary of the program here.

Elective Contribution Limits

Internal Revenue Code (IRC) places limits on the amount you may invest through the TDI plan on a tax-deferred basis. Maximum contribution limits are based on your includable compensation, which is your gross pay during a calendar year.

Generally, you maximum contribution in any tax year is limited to the lesser of:

- A limit on your maximum elective contributions (general limit plus age 50 catch-up).
- A limit on the total contributions you may make annually to all 403(b) contracts you hold (402(g) limit).

Participants are responsible for verifying their maximum permissible contributions annually. If the total you contribute in a tax year exceeds the limits contained in IRC 402(g) and other tax law related to this IRC 403(b) plan, you must include the excess in your gross income for that year for tax purposes.

The maximum allowed elective contribution (salary reduction amount) is periodically adjusted for cost of living by the IRS, and you should check annually for the new limits that are generally announced in the last month of each calendar year.

Individuals age 50 and older who already made the maximum allowable contribution under the general limit in the tax year may make an additional catch-up contribution. The maximum catch-up contribution is the lesser of the participant's compensation, any other elective contributions for the year, or the general IRC 402(g) limit.

The general limit applies to your total pre-tax and post-tax (Roth) voluntary contributions. If you request an additional age 50-plus catch-up, the additional contribution amount may be made on a combined pre- and post-tax (Roth) basis. This means that your pre-tax and Roth post-tax contributions, combined, may equal but may not exceed the general 402(g) and age 50 414(v) limits.

Specific annual limits for both the general limit (IRC 402(g)) and the age 50 plus catch-up can be found in the TDI Plan Highlights available online at https://www.opurp.org/tdi-plan-highlights or by contacting the benefits office at your institution.

Monitor Total Contributions to Avoid Tax Penalties

If you contribute any amount in excess of the described Internal Revenue Code limits, you are responsible for taxes and penalties on the excess amount. Oregon Public Universities Retirement Plans strongly suggest that you work with a tax consultant if you plan to maximize your contributions to the extent that they begin to approach any of the described limits.

PERS Service Time Purchase – Transfer from TDI

Effective September 1, 2011, Tier One and Tier Two members who are eligible to purchase service time can do so using dollars from the TDI 403(b) Plan. You do not need to be separated from service when your transfer is requested from your TDI Provider. You must purchase service credit within 90 days of your PERS retirement. Details on the transfer process can be obtained by contacting PERS or online at www.oregon.gov/pers/Documents/Form/623-Trustee-to-Trustee-Transfer-to-PERS-for Purchase.pdf, and by contacting your TDI Provider.

Roth Post-Tax Account

Post-tax "Roth" accounts are available through the TDI providers. Monthly contributions may be split between your pre-tax and Roth 403(b) accounts. Because each person's situation in different and the rules are complex, you should talk to a tax advisor to determine if a pre-tax 403(b) or a Roth 403(b) account is best for you.

Regular pre-tax 403(b) contributions go into your TDI account on a pre-tax basis. You do not pay state and federal income tax on that income when you earn it. Your W-2 does not include it. You do pay Social Security taxes on it. Imagine that you earn $30,000 a year, and you pay 5% of your wage, or $1,500 into the Plan. Your W-2 lists income of $28,500. You pay income tax on $28,500, if any tax is due. You pay Social Security tax on $30,000. The funds that you put in a pre-tax 403(b) account are invested and grow tax deferred. That means you do not pay tax as the funds grow. When you take funds out, you pay tax on them. Those funds may increase tax on Social Security benefits.

How Does a Roth 403(b) Account Work?

When you make Roth 403(b) contributions, that part of your income goes into the Roth 403(b) account on an after-tax basis. You pay state and federal income tax on income you contribute in the year that you earn it. Your W-2 includes it. You pay Social Security taxes on it. The income that you put in a Roth 403(b) account is invested and grows tax-free. You can take the earnings from your Roth 403(b) account tax-free when the distribution is "qualified." To be qualified, the distribution must not occur until after expiration of a five-year "seasoning" period. The five-year period begins in the calendar year in which you first make a Roth 403(b) contribution, and ends at the end of the calendar year five years later. In addition, the distribution would become qualified after you reach age 59 ½ or die. A qualified distribution does not increase your taxes on Social Security benefits.

For example, if you first make a Roth 403(b) contribution on October 31, 2007, your five-year seasoning period ends on December 31, 2011, and you can receive a qualified distribution from your Roth 403(b) account after that date. Your five-year clock starts running when you make your first Roth 403(b) contribution to the TDI Plan or to a Roth 403(b) account under any other employer's 403(b) plan that you roll over into the TDI Plan. You do not need to make a Roth 403(b) contribution during the following years for the clock to continue.

If a distribution from your Roth 403(b) account is not a qualified distribution, earnings from that account will be taxable to you upon distribution unless you roll over the distribution to a Roth IRA or another plan that will accept the rollover. In some cases, there is a 10% excise tax on the distributed earnings.

Are Roth 403(b) Contributions in Addition to Regular 403(b) Contributions?

No. You may not contribute more funds than the 403(b) deferral limits in a calendar year. Both Roth 403(b) contributions and pre-tax 403(b) contributions count against those limits.

What are the Main Benefits of a Roth 403(b)?

At retirement, if you have both a Roth 403(b) and a pre-tax 403(b) account, you may choose whether to withdraw tax-free funds from the Roth 403(b) account or taxable funds from the pre-tax 403(b) account.

Whether you pay tax depends on many things, including the tax rates in any year. Putting money in a pre-tax 403(b) account may lower your taxable income now. That may allow you to use various state and federal tax deductions or credits to increase your tax refund. However, if you owe no tax now, or very little tax, Roth 403(b) contributions may be preferable. You pay low tax on the funds when you put the money in the Plan, and the money you withdraw from your Roth 403(b) account later is tax-free if the Roth is qualified. Those tax-free funds do not increase tax on any Social Security benefits you receive, so you keep more of those benefits.

Finally, if you roll a Roth 403(b) account into a Roth IRA, you can avoid the age 72 minimum distribution rules. You can keep the Roth IRA for heirs as an income-tax-free legacy if the five-year participation period is met. You do this by using the higher contribution limits of the Roth 403(b) while you are working, roll the account over to a Roth IRA when you retire, and let the balance grow tax-free until you die. If your spouse inherits the Roth IRA, your spouse can name heirs as beneficiaries and continue to let the money grow tax-free until your spouse dies. Thus, compounded tax-free growth could continue for a long time. You should seek estate tax advice to address estate tax concerns.

Are Roth 403(b) Contributions Treated Differently than Pre-tax 403(b) Contributions?

Generally, no. Once you make an elective contribution of either type to the Plan, it will generally be treated the same for all purposes under the Plan. However, in addition to any other restrictions that apply to all elective contributions, the Plan does not permit hardship withdrawal of assets in your Roth 403(b) account. Additional information about the 403(b) Roth account is available on the Internal Revenue Service website:

www.irs.gov/retirement-plans/retirement-plans-faqs-on-designated-roth-accounts

Distributions

When you leave Oregon Public Universities' employment, the money in your TDI account(s) can be handled in various ways.

Depending on your circumstances at the time you leave, your TDI contract and current IRS regulations, some of the options that may be available here are the following:

- You may begin to receive annuity benefits or withdraw your account balance. A 10% penalty tax is applied to distributions taken before age 59 ½. If you separate from service at or after age 55, however, you may take a penalty-free distribution.
- You may leave funds in your account.
- You may roll TDI money into an IRA, or another 401(a) or 457 plan, subject to approval by those plans.
- If you become employed by another organization with a 403(b) plan, you may be able to rollover your money to that plan, subject to approval by the receiving plan(s).

Your tax or financial advisor will be able to help you determine the best option for your personal circumstances. For information about rollovers to other plans, contact the receiving provider first to verify that a rollover will be accepted.

Changing Contributions

Your Voluntary Savings Form may be changed at any time of the year. Just one TDI Provider at a time may receive contributions – split contributions are not permitted. Only one Voluntary Savings Form may be in effect at any time, and the most recent Voluntary Savings Form replaces all prior instructions to the plan sponsor.

Changing TDI Providers

You may change your TDI Provider once each calendar year. Your Voluntary Savings Form may be changed at any time of the year. There are no open enrollment periods. No more than one Voluntary Savings Form may be in effect at any one time, and the most recent Voluntary Savings Form replaces all prior instructions to the plan sponsor.

An ORP Tier Four Participant may change his/her TDI provider if a corresponding change is made to maintain the same provider for both plans.

Instructions

1. Contact the TDI Provider you wish to use in the future to request an enrollment kit, or to enroll online. Provider's contact information is in the TDI Plan Highlights.
2. Enroll online or complete an application to set up your account with the provider.
3. Complete a new Voluntary Savings Form to indicate your new TDI provider and the percent of pay you wish to invest. Keep a copy of the Voluntary Savings Form for your records, and send the original to your campus benefits office.
4. The name of the new TDI provider will be shown on your earnings statement in the month the change is effective.

If you do not set up an account before the new TDI provider receives your payroll contribution, then your money will be invested in an age-appropriate lifecycle fund until you provide new investment directions through Fidelity Investments or TIAA.

When Changes Become Effective

All Voluntary Savings Forms must be received by your campus benefits office by the 10th of the month in which you wish to begin, change, or cancel participation in the plan. Forms received after the 10th of the month will be effective the following month. Check your earnings statement to verify when your changes have been completed.

Increase or Decrease the Amount of Your Voluntary Savings Form

1. Your voluntary savings amount can be designated only as a whole percentage of pay; for example, 4% of your monthly gross pay. The Voluntary Savings Form is available on the web, through the TDI provider's dedicated websites, or from your campus benefits office.
2. Read Voluntary Savings Form instructions, examples and information available in Section 8 of this guide.
3. Complete the Voluntary Savings Form and keep a copy for your records.
4. Send the new Voluntary Savings Form to your campus benefits office at the address on the VSF
    a. In months that you receive no pay, there is no contribution.
    b. When your pay increases through a job change or salary increase, your contribution increases proportionately, until you submit a new Voluntary Savings Form.

Divorce

In a divorce your account may be subject to division through a legal document called a Qualified Domestic Relations Order (QDRO). A Qualified Domestic Relations Order is one of the few ways in which a retirement plan account may be distributed to anyone other than the plan participant. A domestic relations order is an Order signed by a judge relating to the provision of child support, alimony payments, or marital property rights made pursuant to state domestic relations law.

Detailed procedures regarding divorce distributions can be found online at https://www.opurp.org/divorce-guide or by contacting the Retirement benefits Coordinator by emailing opurp@uoregon.edu.

Stop Your Contributions

You may terminate participation in the TDI plan in any month. Termination does not mean withdrawal of funds, but stops your future contributions. If you stop participating in the TDI plan, you may begin again in any future month that you are eligible.

1. Complete the Voluntary Savings Form and enter 0 for your deferral percentage in section C.
2. Keep a copy of the Voluntary Savings Form for your personal records.
3. Send the signed, completed Voluntary Savings Form to your campus benefits office.

Loans

Loans are available in the TDI plans. A participant requesting a loan is required to disclose all other outstanding loans against retirement plan accounts held by the employer. This includes 403(b) accounts with discontinued providers that were established by November 2007, as well as any loans from the Optional Retirement 401(a) Plan, and PERS' Oregon Savings Growth (IRC 457) Plan. Providers will provide loan terms and forms on your request, and will forward your loan request for approval by the plan sponsor. Generally, loans may not exceed $50,000 or 50% of your available account balance. The minimum loan amount is $1,000. Roth account assets are not available for purposes of loans.

As of September 1, 2016, participants are only allowed two outstanding loans at a time from the 403(b) TDI plans. Participants with two or more outstanding loans as of September 1, 2016 will be required to pay their outstanding loans in full until there is only one remaining before becoming eligible for another loan from either plan. Participants who default or have defaulted on a previous loan will be required to pay that loan in full and meet the other requirements before becoming eligible for a new loan.

> **Example 1:** A participant with two outstanding loans as of September 1, 2016, will be required to pay back one of their outstanding loans before they are eligible for another loan from the TDI.
>
> **Example 2:** A participant with one outstanding loan that has defaulted as of September 1, 2016 will be required to pay that loan in full before being eligible to take another loan, despite not meeting the two loan cap.

Rollovers

Rollovers to the Oregon Savings Growth Plan (IRC 457 plan), the Optional Retirement Plan (IRC 401(a) plan), and qualified IRAs are permitted, subject to approval by the receiving plans. Rollovers from the TDI plan are permitted after severance of employment or attainment of age 59 ½.

Rollovers from qualified IRAs, 401(a), 403(b), and 457 plans to the TDI are permitted. Anyone with a TDI account, including Participants, their spouse beneficiaries, non-spouse beneficiaries and alternate payees may roll over funds to the TDI. This includes distributions from 403(b) and 457 plans, and qualified IRAs under Domestic Relations Orders (QDROs).

Hardship Withdrawals

Hardship withdrawals are permitted to meet an immediate and heavy financial need, if a distribution is necessary to satisfy the financial need. An IRS safe harbor list of specific needs and distribution criteria apply. Assets in a Roth account are not available for hardship withdrawal. Contact your provider for additional information, and a hardship withdrawal form. Your provider will forward your request to the plan sponsor for approval.

Additional information on hardship procedures can be found by viewing our plan document at https://www.opurp.org/sites/opurp1.uoregon.edu/files/2018_tdi_plan_document.

Minimum Distributions

Annual distributions must begin April 1 of the calendar year following the year in which you achieve age 72 or retire after age 72. Penalties are applied if you do not begin your distribution according to these rules. Contact your provider for additional information. `

Section 3 – TDI Providers and Investment Options

TDI Providers offer three different investments-plus-services to employees.

ORP 401(a) and TDI 403(b) Plans

Participants' Choice of Programs

Fidelity
CORE MENU
Target Retirement Date Funds
Passively Managed Index Funds
Actively Managed Mutual Funds
VOYA Fixed Account
Self-Directed CHOICE Menu
Fidelity Brokerage Account

TIAA	
TIAA Traditional, Fixed Annuity	
CREF Variable Annuities	TIAA-CREF Mutual Funds

VALIC
CORE MENU
Target Retirement Date Funds
Passively Managed Index Funds
Actively Managed Mutual Funds
Fixed Annuity*
Variable Annuity*

Participants may change TDI Providers one time each calendar year for:

1. New contributions, and
2. Transfer of the participant's account balance.

These changes may be requested separately.

Participants may select only one TDI Provider at any one time.

*Not available to future contributions.

TDI: Fidelity

Fidelity Investments offers a custom-constructed investment menu to suit a wide range of investor preferences, including:

- "Lifecycle" target retirement date mutual funds designed for "hands off" investors.
- A core investment menu of mutual funds spanning a broad range of asset classes.
- VOYA Fixed Account.
- A brokerage account for investors who want maximum flexibility and accept full personal responsibility for the performance and costs associated with a wide array of mutual funds available as an additional choice.
- A post-tax "Roth" account for tax-advantaged investment earnings.

Fidelity Investments is one of the administrators for the TDI Plan, and has been a provider since 1992. As a record keeper to the TDI, Fidelity provides account administration, participant education, and retirement consultations. Fidelity offers investment management, retirement planning, brokerage services, and state-of-the-art technology services.

Fidelity offers an advised core investment menu of mutual funds, including lifecycle funds, passively managed index funds, actively managed funds for each of the nine Morningstar asset classes, and VOYA fixed account. Investments on the core menu are monitored for performance and fees by an investment advisor and committee, and may be changed from time to time as needed to meet the investment policy of the plan. Each investment bears different expenses for not only investment management, but also recordkeeping and participant education and services. Participant education and advising is available online, by phone, or through individual meetings with retirement counselors.

For more information about the TDI Plan accounts with Fidelity, you can call 1-800-343-0860 or visit www.netbenefits.com/opurp.

See the TDI Plan Highlights at the end of this guide for more information about investments available through TDI: Fidelity.

TDI: TIAA

TIAA offers a selection of a guaranteed annuity (TIAA Traditional), variable annuities, and mutual funds. Before-tax and Roth accounts are available.

TIAA has served the Tax-Deferred Investment 403(b) Plan since 1992. Investments and services are directly through TIAA. TIAA offers a combination of mutual funds, plus fixed and variable annuities. A short list of mutual funds supplements the CREF variable annuities, TIAA Traditional (fixed annuity), and TIAA Real Estate investment. The choice of mutual fund and annuity products allows a participant to diversify investments across a spectrum of investment performance and expenses. Participant education and advising is available online, by phone, or through individual meetings with retirement counselors.

TIAA (Teachers Insurance and Annuity Association) is a leader in helping those in the academic, medical, cultural, government and research fields plan for and live in retirement. TIAA offers a wide range of products and services through non-commissioned consultants. TIAA offers fixed and variable annuities, including a guaranteed interest account, a real estate account, a socially responsible balanced account, four equity, and three fixed income accounts, as well as mutual funds representative of major asset classes including a suite of target retirement date lifecycle funds.

For more information about TIAA, call 1-800-842-2776 or visit www.tiaa.org/opurp.

See the TDI Plan Highlights at the end of this guide and "Investment Choices" on the first page of the TIAA Oregon Public Universities Retirement Plans website for more information about investments available through the TDI: TIAA program.

TDI: AIG

AIG is not available to new participants after October 10, 2007.

AIG offers variable and fixed annuity investments to participants who have been enrolled since October 10, 2007. Participant education and advising is available online, by phone, or through individual meetings with retirement counselors.

AIG comprises a national team of nearly 2,000 financial advisors and financial planners who, while offering a wide array of investment services, provide personal face-to-face service. AIG offers more than 60 fixed and variable investment options managed by various well-known fund families. As of January 31, 2018, AIG added a menu of investment funds, including target date "lifecycle" funds, passively managed index funds, and actively managed funds for each of the nine Morningstar classes. Participants may move into the mutual funds from the annuity funds at any time with no surrender fee.

For more information about AIG, call 1-800-448-2542 or visit www.AIG.com.

See the TDI Plan Highlights at the end of this guide for a sample of investments that are available through TDI: AIG.

Section 4 – Managing Your Account

The performance and goals of the investment products you initially select and your personal circumstances may change over time. When considering a vehicle for your retirement savings, think forward to the day you want to transfer or withdraw your investments. Ask questions about moving your money before you invest.

Each Participant, Beneficiary, or Alternate Payee shall direct the investment of his or her account among the investment options available through his or her plan provider. Transfers among investments may be made to the extent allowed by each provider and as permitted under applicable Income Tax Regulations. Information about available investments, including investment performance, expenses, prospectuses and fund fact sheets can be obtained from the TDI Plan Providers.

Consolidating Your Account to a Current TDI Provider

All movement of account balances are subject to change of investment rules of the IRS and the TDI plan. Transfer of full or partial account balances between TDI: Fidelity, TDI: TIAA, and TDI: AIG may be requested once per calendar year.

Current providers TIAA, Fidelity, and AIG (provided that the account was established before 10/10/2007) may accept transferred account balances from any of the discontinued companies listed in the “Discontinued Providers” section of this document. There is no limit on the number of transfers for account consolidation from discontinued companies to the current providers. Accounts may not, however, be transferred to or among the discontinued companies.

When transferring funds from a current or discontinued TDI provider to a current TDI provider, keep the following in mind:

- INQUIRE if there will be any restrictions or fees involved. Some providers charge fees when you transfer your account.
- There are no federal tax consequences to most transfers as long as your follow prescribed procedures. Check with both the “sending” and “receiving” provider about their procedures. In this matter, and any other matter relating to taxes, you should consult a tax advisor as well.
- Determine if all or only a portion of your account may be moved at one time. Some funds restrict transfers to a certain percent per year.
- Transfers to and from insurance and mutual fund companies outside the TDI plan may be made as eligible rollover distributions at separation from employment or other distribution event.

Exchanges within Your Provider's Investment Menu

Each provider has its own rules for exchanging money among different investment vehicles within its own investment menu. Sometimes fees are charged; for instance, as surrender charges when assets are withdrawn within a certain period of time. Exchanges may be restricted by frequent trading policies of the funds or provider. You can determine the exchange rules for each investment option before you invest in it by reading the provider's materials or by asking the provider's representative or customer services center.

Among the questions you may wish to ask are the following:

- What is the procedure for exchanging money from one investment option to another?
- How often may I exchange among investment options?
- Do exchanges involve any fees?
- Are there limits on the amount I may exchange at one time?

Withdrawals

Carefully review the provider's withdrawal provision before selecting your investments. Discuss the tax consequences of withdrawing funds with your tax advisor if you are unsure what effect a withdrawal would have on your tax status. Generally, withdrawals before age 59 ½ are assessed a 20% income tax withholding and a 10% early withdrawal penalty. Exceptions to the 10% penalty exist for withdrawals due to disability, medical expenses, alternate payees and beneficiaries, and retirement at age 55, among other reasons. Withdrawals from a Roth account may be subject to taxes on any earnings if the account is less than 5 years old.

Designate Your Beneficiary(ies)

If you have not designated your beneficiary(ies), your account will be distributed according to a default beneficiary of the TDI plan. If you have not designated a beneficiary, or if your beneficiary does not survive you, the following order of priority will be applied to determine your default beneficiary:

a. Participant's surviving spouse;
b. Surviving same-sex domestic partner who is required to be treated the same as your surviving spouse under the Oregon Family Fairness Act of 2007;
c. Surviving children in equal shares;
d. Surviving parents in equal shares;
e. Estate.

To ensure that your account would be distributed as you wish, contact your TDI provider to complete your beneficiary designation. You can view and update your beneficiaries online, in the personal profile section of your account. You may also request a beneficiary form by calling your TDI provider.

Section 5 – Enrollment

Establishing your TDI account is part of a two-step process.

Tell your campus benefits office to take a salary deduction by completing a Voluntary Savings Form, which is available at https://www.opurp.org/plan-forms or at your institution's benefits office.

Apply for an account online through the website listed on the TDI Plan Highlights, or request an enrollment kit from your selected TDI Provider.

Section 6 – Managing Your Account Established Before November 2007

If you participated in the TDI plan before November 2007, you may have assets in accounts held by insurance or mutual fund companies previously authorized to provide investments under the TDI plan. Those assets may remain in the account(s) you established previously. Your investments continue to participate in the earnings and losses of the funds you selected, and the terms of your annuity contract or custodial agreement apply. You may also roll those assets to the TDI plans at Fidelity and TIAA.

Although no new contributions will be made to these companies by your employing institution(s), your relationship with them continues. Any account management questions should be referred to your prior company's representative who is familiar with the terms of your individual contract. In addition, your prior company will be required to work with you and Oregon Public Universities Retirement Plans for approval of distributions, loans, or hardship distributions. Your contract's compliance with federal treasury regulation, and your tax-advantaged savings, may be affected by your company's active cooperation with Oregon Public Universities Retirement Plans and the TDI Plan. You and your company are responsible to confirm that your account remains in compliance with IRC 403(b).

Discontinued TDI Providers - Companies no longer receiving contributions

The following TDI companies received payroll contributions through October, 2007. After that date, no new contributions were sent to these providers, although participants' account balances remain with them.

Ameriprise	www.ameriprise.com 800-535-2001
Deutche Asset Management (formally The Scudder Funds)	www.dws-investments.com 800-537-1036
Foresters Financial (formally First Investors)	www.foresters.com 800-394-6620
Lincoln National/Lincoln Cascades	www.lfg.com 800-348-1212
MetLife/Brighthouse	www.metlife.com 800-438-6388
Nationwide Life Insurance Company	www.nationwide.com 800-848-6331
New York Life Insurance Company (Oregon)	www.nylinvestments.com 800-762-6212
SAFECO/Symetra	www.symetra.com 800-796-3872
Standard Insurance Company (Oregon)	www.standard.com 800-368-7505
The American Funds/Edward D. Jones	www.americanfunds.com/individual/ 800-421-4225
The Calvert Funds	www.calvert.com 800-368-2745
VOYA (formally ING AETNA)	www.voya.com 855-663-8692
VOYA (formally ING Retirement Plans)	www.voya.com 855-663-8692
Waddell & Reed, Inc.	www.waddell.com 800-683-5575

Section 7 – Resources and Contact Information

For Information On	Call	Visit Online
TDI: Fidelity	800-343-0860	www.netbenefits.com/opurp
TDI: TIAA	800-842-2888	www.TIAA.org/opurp
TDI: AIG	866-283-4892	www.AIG.com/

Campus Benefits Offices

Contact your Benefits Office for general information about the 403(b) Plan and enrollment materials.

Eastern Oregon University	541-962-3087
Oregon State University	541-737-8254
Oregon Institute of Technology	541-885-1028
Portland State University	503-725-4926
Southern Oregon University	541-552-6167
University of Oregon	541-346-2956
Western Oregon University	503-838-8139

Plan Resources

See the WHAT'S NEW tab on the Oregon Public Universities Retirement Plans website (https://www.opurp.org/tdi-plan-highlights) for announcements and news related to the Plan and providers/vendors serving the plan.

Important Note about the Americans with Disabilities Act

In accordance with the *Americans with Disabilities Act*, if you need an accommodation to attend any employee meetings, or if you need to receive this booklet in an alternative form, please contact your campus benefits office.

Section 8 – Voluntary Savings Form SAMPLE IMAGE

403(b) Voluntary Savings Form

Use this form to enroll in the 403(b) or to change/discontinue your current 403(b) election.

A. Employee Information

Name (Last, First, Initial) Social Security Number (Required)

Day Phone / Email Date of Birth University ID Number (Required)

○ I am a Post-Doctoral Scholar. Hire Date: ____________________

B. Select ONE Provider: **AND** **C. Enter your contribution percentage(s):**

	Pre-tax	+	Roth (after-tax)	=	Total
○ 403(b): Fidelity	%	+	%	=	%
○ 403(b): TIAA	%	+	%	=	%
○ 403(b): AIG *(closed to new participants)*	%	+	N/A	=	%

Total must be a whole percentage between 1 and 85, and Roth contributions cannot exceed 60%.
TO STOP CONTRIBUTIONS: Enter "0" percent in Section C.

D. Acknowledgement, authorization and signature:

Initial Investments (for new participants): If you do not select specific investments with your provider they will be allocated to a default investment depending on the 403(b) Provider that you select. The default investment is a lifecycle investment that most closely corresponds to your projected retirement date. You can find additional information about these investments, select specific investments for future contributions or change your current account allocations at any time by contacting your selected 403(b) Provider.

Effective Date of Elections: Forms received by your university's benefits department on or before the 10th of the month will be effective during the current month. Forms received after the 10th will become effective starting in the next pay month.

Information Transfer Authorization: Your signature below serves as authorization for the university to provide your 403(b) Provider (see section B) with your personal information necessary for the establishment of a 403(b) account.

Deferral Authorization: I authorize the actions requested above by signing and dating this form. I acknowledge these elections supersede all prior elections. The maximum calendar year salary deferral amount is determined by the IRS via the General Limit (IRC 402(g) - $19,500 in 2020) and additionally, if applicable, the Age 50 Catch-Up Limit (IRC 414(v) - $6,500 in 2020). Your annual maximum will change to stay synchronized with any future adjustments to the IRS limit, but your contributions will not exceed the percentage authorized on this form.

Acknowledgement of Responsibilities: The instructions and information on this form, as well as the information in the 403(b) Retirement Plan Decision-Making Guide are an integral part of this agreement and provide essential information for understanding the Oregon Public Universities 403(b) Plan. I will ensure that contributions are limited so as not to cause a maximum limits violation if other outside 403(b) plans are aggregated.

Employee Signature Date University

Human Resources Use Only	Date Received:	Entered By:	Entered Date:

Revised 11/2019

Voluntary Savings Form

403(b) Voluntary Savings Form

Calculate your contribution percentage or amount:
Q: I know how much I want to contribute, but what percentage of my pay would that be?
A: Desired Annual Contribution / Gross Annual Pay = Contribution Percentage:

$ ÷ $ = %

Q: I know the percentage of pay that I would like to contribute, but how much will that be annually?
A: Contribution Percentage X Gross Annual Pay = Annual Contribution Dollar Amount:

% × $ = $

Need a monthly amount? Divide by the number of months in your appointment (usually 9 or 12)

*This quick calculator is provided as a general tool for your use while planning your contributions. If you have any questions about what contribution level is best for your situation, please contact one of our providers (below) or speak with your financial advisor.

Other Enrollment Actions: When you complete and return this form to your university (see locations below) you will have taken all of the actions necessary to establish a basic 403(b) account, but there are other important actions to strongly consider:

Additional Action	Vendor	What's the First Step?
Select Specific Investments	Fidelity & TIAA	Log into your account online or contact your provider at the number listed below.
Establish your beneficiaries	Fidelity & TIAA	Log into your account online or contact your provider at the number listed below.
Meet with your Provider	Fidelity:	www.netbenefits.com/opurp/
	TIAA:	www.tiaa.org/moc

Additional 403(b) Information:

For Information On	Call	Visit Online
403(b): Fidelity	800-343-0860	www.netbenefits.com/opurp
403(b): TIAA	800-842-2888	www.tiaa.org/opurp
403(b): AIG	866-283-4892	www.valic.com/
General 403(b) Information		www.opurp.org/tdi

Form Return Addresses: Return this form to the Human Resources off at your institution.

Institution	Drop-Off Location	Mailing Address	City, State, Zip	FAX
EOU	Inlow Hall, Rm 209	One University Blvd	La Grande, OR 97850	541-962-3023
OIT	Snell Hall 110	3201 Campus Dr	Klamath Falls, OR 97601	541-851-5200
OSU	236 Kerr Admin Bldg	236 Kerr Admin Bldg	Corvallis, OR 97331-2132	541-737-7771
PSU	1600 SW 4th Ave, Suite 518	P.O. Box 751	Portland, OR 97207-0751	503-725-5896
SOU	Churchill 159	1250 Siskiyou Blvd	Ashland, OR 97520	541-552-8508
UO	677 E 12th Ave, Suite 400	5210 Univ. of Oregon	Eugene, OR 97403	541-346-2548
WOU	Admin. Bldg. 306	345 N Monmouth Ave.	Monmouth, OR 97361	503-838-8522

Revised 11/2019

Additional Instructions, Examples, and Acknowledgements (2020)

AVAILABILITY: The TDI Voluntary Savings Form can be found online at www.opurp.org/tdi-403b-plan or at your institution's benefits office.

YOUR ANNUAL SALARY DEFERRAL LIMIT:

a) General Limit - $19,500 for 2020
b) Age 50+ Catch-Up Limit - $6,500 for 2020 if you are at least 50 by the end of the year

Note: The above $19,500 and $6,500 limits apply to the total of your salary deferrals for the 2020 calendar year to the 403(b) plan and to any other employer's 403(b) or 401(k) plan, SEP IRA, or simple retirement account, or to the Federal Thrift Savings Plan. Your total salary deferrals for the 2020 calendar year above those limits will not be pre-tax or Roth (post-tax) salary deferrals. Your salary deferral may also be limited by IRC 415(c).

MONTHLY DEFERRAL: In each month your Voluntary Savings Form is active and you receive pay, the percentage of gross pay you elect in section C will be deducted, up to the IRS limits.

EXAMPLES: In the following examples you expect your monthly gross pay will be $4,000.

Example 1: If you want to defer $2,000 pre-tax then write "50" on the pre-tax deferral line that corresponds to your Provider in section C ($2,000/$4,000 = 50%).

Example 2: If you would like to suspend your contributions as soon as administratively possible, write "0" on the deferral line that corresponds with your current Provider in section C.

Example 3: If you want to change your deferrals to 5% pre-tax and 10% Roth per paycheck, write "5" on the pre-tax deferral line, "10" on the Roth deferral line and "15" on the Total line (5+10 = 15) that corresponds to your Provider in section C.

Additional simple examples are provided on the back side of the Voluntary Savings Form. If completing the Voluntary Savings Form electronically, the numbers on the form can be changed to perform some basic calculations for your specific situation. This quick calculator is provided as a general tool for your use while planning your contributions. If you have any questions about what contribution level is best for your situation, please contact one of our providers or speak with your financial advisor.

Instructions & Acknowledgements

GENERAL: All tax-deferred investment (TDI) new enrollments, restarts, changes, and stops require completion of the Voluntary Savings Form. The completed Voluntary Savings Form must be sent to the address of employee's campus benefits office shown on this form. The Voluntary Savings Form is an agreement between employee and his/her employing institution. The salary deferral is a voluntary salary reduction from gross pay. The salary reduction amount is invested with one of the Providers, in an account in employee's name, under provisions of IRC 403(b). The investment options under the plan are tax-sheltered annuities or mutual fund custodial accounts. Except for Roth contributions, state and federal income taxes are withheld only on remaining salary after the reduction. Other withholdings, deductions, and contributions, including Social Security taxes, apply to gross pay before the salary reduction. PERS and ORP contributions are not reduced by salary reductions under the 403(b) plan, (ORS 243.830). Court-ordered deductions from pay (e.g. garnishments) are based on gross pay; they are not affected by salary deferral under this Voluntary Savings Form. For assistance in completing this form, employees should consult an investment, financial, or tax advisor to determine the correct deferral amount.

ONE SRA: No more than one Voluntary Savings Form may be in effect at any time. Any prior Voluntary Savings Form is replaced by the most recent Voluntary Savings Form.

EFFECTIVE DATE: For the requested action to take effect on the month-end payroll, the campus benefits office must receive the Voluntary Savings Form by the 10th calendar day of the month. The salary reduction will continue until:

a. Employee terminates employment with Oregon Public Universities;
b. Employee files a new Voluntary Savings Form to change or terminate contributions; or
c. Oregon Public Universities Retirement Plans gives advance written notice that the salary reduction is to stop.

DEFERRAL AUTHORIZATION: Employee authorizes salary reduction by the amount indicated and authorizes his/her employing institution to transmit funds to the designated Provider. The salary reduction specified on the Voluntary Savings Form will continue until a new Voluntary Savings Form is submitted or participation ends. Employee is fully responsible for all computations in connection with the salary deferrals.

DEFERRAL LIMITS: Employee understands that salary deferrals are limited by IRC 402(g) and IRC 414(v) and that these limits apply to the total salary deferrals made to the 403(b) plan and to any other employer's 403(b) or 401(k) plan, SEP IRA, or simple retirement account, or to the Federal Thrift Savings Plan. Maximum annual salary deferrals allowed by the General Limit (IRC 402(g)) and the Age 50 Catch-Up Limit (IRC 414(v)) are shown in the table below. Contact the IRS for publications explaining applicable rules.

Maximum Annual Salary Deferral Amounts by Year	General Limit 402(g)	Age 50-Plus Catch-Up Limit IRC 414(v)
2020	**$19,500**	**$6,500**

The employee also understands that IRC 415(c) limits the total annual additions for employees for a year. This limit for 2020 is the lesser of $57,000 or 100% of compensation plus another $6,500 if employee will be age 50 by December 31. The IRC 415(c) limit applies to the total annual additions for the employee to all 403(b) plans and to all other types of retirement plans (but not including PERS, OPSRP, the Optional Retirement Plan, or the Oregon Savings Growth Plan) of all employer plans controlled by employee (such as the employee's own business). IRS publications provide information on the maximum annual additions under IRC 415(c). Consult an investment, financial or tax advisor, or the IRS for advice.

PROVIDER SELECTION: Voluntary savings amounts may be allocated to one Provider at a time. Failure to establish an account with a Provider or to provide investment direction may result in return of the contribution.

ROTH OPTION: A post-tax voluntary Roth option is available through Fidelity and TIAA. Roth deferrals reduce the amount that can be contributed pre-tax, and net pay is reduced more than with pre-tax 403(b) deferrals because income taxes are withheld. Consult a financial or tax advisor to determine if the Roth option is suitable for you.

ACKNOWLEDGEMENT OF RESPONSIBILITIES: The University of Oregon, your employing institution and employee acknowledge and understand that the employee has total responsibility for deciding to defer salary and for instructing your employing institution to provide the salary deferral for investment purposes through a Provider. The employee assumes full responsibility for the results of his or her investment choices, including the contribution limitations under the U.S. Internal Revenue Code. Further, an employee who elects optional services and investments offered by a Provider assumes full responsibility for fees and the performance of investment products and services.

The employee assumes full responsibility for the tax, processing, and investment consequences of the Voluntary Savings Form, and releases the University of Oregon, your employing institution, and its officers, employees and agents from any liability for financial loss resulting from any calculations or from selection of a Provider or its investment vehicles, from incorrect evaluation of tax-deferred status, from processing delays or errors, from discontinuance of present legislation affecting such benefits, and from incorrect advice received from Oregon Public Universities Retirement Plans, the Provider, or their employees or representatives.

Section 9 – TDI Plan Highlights

Consider the investment objectives, risks, and expenses of the investment options before investing. Prospectuses and fund fact sheets can be obtained by contacting the TDI Provider. Please read carefully before investing.

Eligibility	Most Oregon Public Universities Employees and OSU Clinical Fellows. Student employees are not eligible to participate.
TDI Providers and Programs	TDI: Fidelity TDI: TIAA TDI: AIG (No longer available to new employees)
Contributions	Voluntary salary deferral. Minimum: 1% of gross pay.
Contribution Limits (2020)	General Limit: $19,500 Age 50-Plus Catch Up: $6,500
Selecting Investments	Investments are participant-directed online after establishing a TDI Provider account (See the provider websites listed later in this document for instructions on setting up an account).
Distributions	Separation from Service or Age 59 ½
Loans	Loans are allowed, subject to outstanding loan balances for all Oregon Public Universities Retirement Plans. As of September 1, 2016, participants are only allowed two outstanding loans at a time from the 403(b) TDI plan.
Hardship Withdrawals	Available, but not from Roth accounts.
Transfers and Exchanges	Fund-to-fund exchanges within a Providers' menu restricted by excessive trading, market timing and redemption period policies. Account transfers permitted in-plan (between currently approved Providers) once each calendar year. Plan-to-plan transfers available as distributions. Transfers to consolidate accounts to current TDI providers unlimited.
PERS Service Credit Purchases	TDI funds may be used to restore previously forfeited creditable service time or purchase PERS service credit. Additional information on this process is available from PERS.
Change of Provider Enrollment	One time per year for new contributions. Enroll by the 10th of any month. Voluntary Savings Forms are available online at www.opurp.org/plan-forms.
Saver's Credit	Up to $2,000 ($4,000 if filing jointly). Information on whether you qualify for this tax credit is available through any tax counselor, your TDI investment provider, or the Internal Revenue Service.
More Information	Call the OPURP office at 541-346-5784.

Fidelity Investments

Plan ID: 71678

Contact: 800-343-0860

Online Address:
www.netbenefits.com/opurp

Investments may from time to time be replaced, and account balances transferred to replacement funds, at the direction of the Retirement Plans Investment Committee to comply with the Investment Policy of the TDI. A current list of investment options is available on the Fidelity website.

Participant education and account services provided by Fidelity Investments.

Post-tax "Roth" option available.

TIAA

Plan ID: 101529

Contact: 800-842-2776

Online Address:
www.TIAA.org/opurp

Individual advice and planning services offered by TIAA. A current list of investment options is available on the TIAA website.

Post-tax "Roth" option available.

AIG

Plan ID: 01034-001

Contact: 866-283-4892

Online Address:
www.AIG.com

Closed to new participants.

Open to participants enrolled by October 2007. Contact AIG for other investment information.

To discuss the funds available in our plan contact them directly at the number above.