

Retirement Plans

Date

8/20

Item

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A. USI Defined Contribution Retirement Plan for Faculty and Administrative Staff through TIAA

Eligible employees may participate in the USI Defined Contribution Plan for Faculty and Administrators (“DC Plan for Fac/Admin”) upon the completion of one year of employment. The plan was first effective July, 1996, and was renamed July, 2014. The DC Plan for Fac/Admin is eligible for tax-deferred employer contributions under Section 403(b) of the IRS code. Effective November 2003, participation in this plan may begin upon employment if the employee was a participant in TIAA or in a university-sponsored retirement plan for at least one year with contributions directed to a company other than TIAA (e.g., State Teachers Retirement Fund, Public Employees Retirement Fund, VALIC or Fidelity). The University will credit eligible employees for prior participation in a University- sponsored retirement plan of less than one year. Credit for prior participation and immediate eligibility to participate based upon prior participation are both contingent on the receipt of acceptable proof of such participation by the Executive Director of Human Resources or the Benefits Manager within 60 calendar days of the first day of employment. University contributions to the DC Plan for Fac/Admin are based upon the appointment salary for the academic/fiscal year. If earnings are less than the appointment salary, contributions to the DC Plan for Fac/Admin are based on actual earnings.

Faculty members on temporary appointments or part-time faculty are not eligible to participate in the DC Plan for Fac/Admin. Effective November 2003, if a faculty member receives a regular, full-time appointment, the time served under the one-year temporary appointment may be counted toward the one-year waiting period. Visiting professors, who are not eligible to receive qualified plan contributions from their current employer during the visiting assignment, may participate in the DC Plan for Fac/Admin, subject to plan eligibility.

Information about the USI Defined Contribution Plan for Faculty and Administrators is available in the Human Resources Department.

B. Indiana Public Retirement System (INPRS) for Support Staff

Certain support staff members who work at least 975 hours per fiscal year are eligible at the time of employment to participate in the Indiana Public Retirement System, subject to the following conditions:

- Employee must be hired in a INPRS-eligible position on or before June 30, 2014; or
- Employee must be re-hired in a INPRS-eligible position on or after July 1, 2014, and have also been in a INPRS-eligible position during a previous period of employment at USI.

The Indiana Public Retirement System, formerly known as Public Employee's Retirement Fund, organized in 1945 at the direction of the Indiana State Legislature, is available to employees of the State of Indiana and its municipalities. The University contributes a percentage of the eligible employee's gross earnings to the annuity portion of the plan (“annuity savings account”) and to the pension portion of the plan

("pension"). Participation in the fund is at no cost to the employee. Contributions to the annuity savings account are forwarded to the Public Employees' Retirement Fund of Indiana and are deposited into an account in the employee's name. Interest and earnings are credited to the account each year and statements of the balance are provided by INPRS.

Effective July 1, 2003, support staff members may contribute to the annuity savings account on an optional basis. Contributions of one to ten percent of compensation may be made to the annuity savings account on a post-tax basis.

University contributions go to the pension portion of INPRS and fund pension, disability and death benefits. INPRS provides retirement annuity and pension benefits at age 65 with ten or more years of creditable service and at age 60 with 15 or more years of service. For earlier, reduced benefit information, please contact INPRS. Disability income benefits and death benefits are also provided. INPRS benefit information is available online at the INPRS website www.in.gov/inprs/.

Support staff who accept appointments as administrators may no longer participate in the INPRS plan. However, a member who has at least five years of credited service shall continue to receive credit for the determination of eligibility for benefits only, for up to five additional years of service with the University, subject to all the provisions of the INPRS plan. The additional service credit and the salary earned in the administrator position shall not be included in the computation of benefits from the INPRS plan.

Employees who terminate employment with the University and are ineligible for retirement or disability benefits under INPRS may be entitled to receive a refund of the amount in the employee's Annuity Savings Account plus accumulated interest and/or earnings.

Information about the Public Employee's Retirement Plan is available on-line at www.in.gov/inprs/.

C. USI Defined Contribution Plan for Support Staff through TIAA

Support Staff in regular assignments with a 50 percent or greater schedule hired on or after July 1, 2014, with no prior INPRS-eligible employment with the University of Southern Indiana, may participate after one year of service in the USI Defined Contribution Plan for Support Staff ("DC Plan for Support Staff"). The DC Plan for Support Staff is eligible for tax-deferred employer contributions under Section 403(b) of the IRS code. Participation in the DC Plan for Support Staff may begin upon employment if the employee was a participant in TIAA or in a university-sponsored retirement plan for at least one year with contributions directed to a company other than TIAA (e.g., State Teachers Retirement Fund, Public Employees Retirement Fund, VALIC or Fidelity). The University will credit eligible employees for prior participation in a University-sponsored retirement plan of less than one year. Credit for prior participation and immediate eligibility to participate based upon prior participation are both contingent on the receipt of acceptable proof of such participation by the Executive Director of Human Resources or the Benefits Manager within 60 calendar days of the first day of employment. University contributions to the DC Plan for Support Staff are based upon the employee's actual earnings.

Information about the USI Defined Contribution Plan for Support Staff is available in the Human Resources Department.

D. Social Security

All employees of the University participate in the Social Security program with the exception of students who qualify to participate in the student worker program and some foreign nationals. The contribution rate accords with federal law. Additional information may be secured through any local Social Security Office or by visiting the Social Security Website at www.ssa.gov/.

E. USI Supplemental Retirement Plan (SRP) through TIAA

Eligible employees may participate in the Supplemental Retirement Plan (formerly the tax-deferred retirement annuity). Section 403(b) and Section 402(g) of the Internal Revenue Code contain guidelines which govern such tax-deferred contributions. There is no waiting period before eligibility. Beginning January 1, 2020, the University is offering a post-tax 403 (b) Roth option. The University does not contribute to this supplemental program.

Individuals requesting tax-deferred salary reductions must complete a Salary Reduction Agreement Form available in the Human Resources Department. Deductions will then be forwarded to TIAA. Prior to January 1, 2009, the University honored an individual's contract with a company other than TIAA if the contract was active and had been in effect for at least 90 days prior to employment with the University; however, no contributions are allowed to vendors other than TIAA beyond December 31, 2008.