

Questions and Answers on Retirement Contribution Reduction (TIAA-CREF)

Questions on Eligibility

Q1 *What are the general provisions of the TIAA-CREF Retirement Contribution Reduction?*

A1 Effective for pay periods beginning November 1, 2009, and ending June 30, 2010, the contribution by Iowa State University to a defined contribution retirement plan (commonly TIAA-CREF) will be reduced.

Q2 *I have a retirement plan with a vendor other than TIAA-CREF – does this affect me?*

A2 If your required retirement account is with TIAA-CREF or VALIC, the contribution you receive from ISU will follow the new schedule effective November 1, 2009.

If your retirement plan is with the Iowa Public Employees Retirement System (IPERS), the contribution made by ISU to IPERS is not affected.

Q3 *What is the amount of the ISU employer reduction?*

A3 The ISU contribution schedule for employees participating in a defined contribution retirement plan will change in accordance with the following schedule:

By the University

<u>Annual Salary</u>	<u>Current</u>	<u>Effective 11/1/09</u>
1 thru 5 Years of Service		
On the first \$4,800 annually	6 2/3%	5 1/3%
Above \$4,800 annually	10%	8%
Over 5 Years of Service	10%	8%

Q4 *Are my required employee contributions also being reduced?*

A4 No. Your required contributions to your TIAA-CREF retirement account will not change and will follow the existing contribution schedule below:

<u>Annual Salary</u>	<u>By the Participant</u>
1 thru 5 Years of Service	
On the first \$4,800 annually	3 1/3%
Above \$4,800 annually	5%
Over 5 Years of Service	5%

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- Q5** *Can I elect to reduce the percentage contribution I am required to make since the University is reducing the employer contribution?*
- A5 No. Contributions by employees to the required basic retirement plan will follow the existing schedule (see Question #4)
- Q6** *Can I make up the difference due to the reduction from my salary to help ensure my retirement goals are being met?*
- A6 Yes. You may choose to defer from your salary additional retirement contributions on a pre-tax basis. If you currently have a supplemental retirement account (SRA or GSRA) with any of the approved vendors, you can elect to change your salary deferral percentage to make up the reduction. You will need to complete a new Elective Salary Reduction form which can be found here: [Elective Payroll Reduction Agreement](#)
- If you do not currently have a supplemental retirement account, you can elect to enroll at any time effective with the next month's pay. Information on enrolling in a supplemental retirement account can be found here: [Supplemental Retirement Account Information](#)
- Q7** *Can I elect to contribute extra from my salary to the basic retirement plan?*
- A7 No. The basic retirement plan does not allow additional contributions from salary deferrals. If you wish to make up contributions for retirement, you will need to elect and contribute to a Supplemental Retirement Account (SRA or GSRA). Information on supplemental retirement accounts can be found at this link: [Supplemental Retirement Account Information](#)
- Q8** *The TIAA Traditional interest crediting rate for my retirement account is higher in the required plan than in a supplemental retirement account – do I have options?*
- A8 Contact Ann Doty, ISU Retirement Specialist, at x44521 or via email at pdoty@iastate.edu for more information on options for you.
- Q9** *Now that the university is reducing its contribution to the TIAA-CREF plan, can I switch my retirement plan to IPERS?*
- A9 No. Your original election to a TIAA-CREF retirement plan cannot be changed.
- Q10** *Is the University's contribution to IPERS also changing?*
- A10 No. Contribution rates for IPERS are set by the Iowa Legislature, not ISU.

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Q11 ***Where can I find additional information/resources to help me with my retirement questions and/or retirement planning?***

A11 You have a number of resources available to you to help you with decisions related to retirement accounts.

- Retirement information on the Human Resource Services web site [ISU Benefits](#)
- Call the Human Resource Service Center at X44800
- The local TIAA-CREF office here in Ames is available for all employees to use (free of charge) to discuss saving or planning for retirement. For appointments call 1-800-732-8353 or enroll online at [TIAA-CREF Web Site](#)