

Frequently Asked Questions *Group Supplemental Retirement Annuities (GSRA's)*

1. What is a GSRA?

A GSRA is a Group Supplemental Retirement Annuity with TIAA-CREF. It is an account that allows you to contribute additional funds to your retirement on a tax-deferred basis. Even with Social Security, pension plans, and savings accounts it can be difficult to save enough for retirement. GSRA's can be a good asset in helping you prepare for retirement.

2. Who is eligible to participate in the GSRA program?

Any Iowa State University employee with a budgeted salary commitment is eligible to participate (casual hourly employees are not eligible). Even if your basic retirement plan is with Iowa Public Employees Retirement System (IPERS), Federal Retirement System, or any other substitute basic annuity plan (other than TIAA-CREF), you can participate in a GSRA.

3. How much can I contribute to a GSRA?

All contributions to a GSRA must be made by payroll deduction. The minimum contribution is \$20.00 per month. During the 2007 calendar year, most employees can contribute up to \$15,500 to their GSRA. Those who will be 50 or older in 2007 may be eligible to contribute an additional \$5,000, and certain employees who have been at Iowa State for at least 15 years may contribute an additional \$3,000. These maximum amounts apply only to the additional optional contributions by the employee, not your required contributions or the University matching. To see how much you are eligible to contribute, contact the Benefits office to have your maximum calculated.

4. Will the University match my GSRA contributions?

No. GSRA's are for additional employee contributions only. The university matching is automatically calculated and contributed to the "basic" (or mandatory) annuity along with the employee's required portion. These required amounts cannot be changed by the employee.

5. What does it mean that my GSRA contributions are tax-deferred?

They are taken from your gross pay before federal and state withholding taxes are calculated. You will pay these taxes when you withdraw the funds during retirement. You still pay Social Security and Medicare taxes on these amounts now.

6. How often can I change the amount of my GSRA contribution?

Changes can be made to your contribution amount at any time. You can also start or stop contributions at any time. All changes must be made at least two weeks before payroll by submitting a new signed Salary Reduction Agreement to the Benefits office. See the Salary Reduction Agreement instructions on the Benefits website for specific deadline dates.

7. Can I put "extra" money into my "basic" retirement annuity?

No. Additional tax-deferred contributions must be put into a GSRA or other Tax Sheltered Annuity (TSA) while still employed with the University. These are the only types we offer.

8. Can I open a Tax Sheltered Annuity with a company other than TIAA-CREF?

Yes. Currently, there are four other approved vendors that can provide TSA products to ISU employees. For a current listing, contact the Benefits office. These other accounts must be opened by contacting the vendor, but the payroll deduction is still set up in the same manner through the ISU Benefits office. Responses for questions 2 through 7, 9, 10 and 12 are the same for TSAs.

9. Does my allocation for my TIAA-CREF GSRA have to be the same as for my “basic” account?

No. The GSRA is a separate account and you may choose different allocations for the funds you put into that account.

10. If I change my contribution amount to my TIAA-CREF GSRA, do I need to change my allocations too?

No. Your allocations are percentages, so it is not necessary to change your allocations if you decide to change how much you contribute to your GSRA account. TIAA-CREF will simply distribute your new contribution amount based on the percentages you have elected. Although you may change your allocations at any time by logging into your TIAA-CREF account online and making the changes there.

11. Does my TIAA-CREF GSRA account earn the same rates of return as the “basic” account?

No. The TIAA Traditional fund in the GSRA earns less than the TIAA Traditional fund in the “basic” account because of the nature of the accounts. As a guaranteed fund, it earns a higher rate of return in an account where people have less access to the funds. Except for the TIAA Traditional account, all of the CREF funds and the TIAA Real Estate account earn the same rates of return. To see current rates, check the TIAA-CREF website at www.tiaa-cref.org.

12. Can I borrow from my SRA?

Access to GSRA funds is granted when you retire, terminate your employment, or for reasons of hardship (which is governed by IRS regulations). Employees can borrow from their GSRA, but are cautioned to make sure they completely understand the restrictions and requirements of doing so to avoid adverse tax consequences. Employees must contact the vendor for details and to access these funds.

13. How do I sign up?

- a. To sign up for an account:
 - i. For a TIAA-CREF GSRA account:
Contact the Benefits office for online enrollment instructions or a paper form.
 - ii. For another approved vendor account:
Contact the Benefits office for the current listing of vendors and their contact information. You must contact the vendor to open the account. You will also need to provide ISU with a copy of the contract when setting up your payroll deduction.
- b. To set up your contribution amount:
 - i. Go to the Benefits website at: <http://www.hrs.iastate.edu/benefits/homepage.shtml>
 - ii. Here you will need to select your category of employment, then choose Retirement Plan. You will then see the link to the “Supplemental Retirement Annuity change form” near the top of the page. The form is in PDF format and it includes an instruction page that should answer any basic questions you have regarding the form or the process.