



## RETIREMENT PLAN



Regardless of your age, the time for thinking about retirement is now. With careful planning, you can help make your retirement years a more comfortable and secure time of life for you and your family.

The Boston University Retirement Savings Program, comprised of the Boston University (“BU”) Retirement Plan, the BU Supplemental Retirement and Savings Plan, and the 457(b) Savings Plan, provides you with a convenient way to start saving towards your retirement today.

This summary provides key terms of the BU Retirement Plan in effect as of January 1, 2022. Read the summary carefully to gain an understanding of how the BU Retirement Plan works. Please note that nothing contained in this summary can expand or otherwise modify the benefits available under the BU Retirement Plan, and if any statement in this summary is inconsistent with the terms contained in the plan document the terms of the plan document will govern.

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## About the BU Retirement Plan

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Once you have completed the necessary service requirement, the BU Retirement Plan automatically provides you with retirement benefits in the form of University Core contributions and University Matching contributions.

The amount of these University contributions will depend on your age and eligible compensation, as well as whether you become eligible for a matching contribution by making voluntary salary deferral contributions under the Supplemental Retirement and Savings Plan..

These contributions may be invested in any of the following investment vehicles:

Tier 1: Target Date Fund

Tier 2: Passively Managed Equities Tier 3 Capital Preservation and Income Funds

Tier 4: Self- Directed Brokerage.

The University's contributions are not taxable to you when made, and investment earnings accumulate tax-free, until your benefits are paid.

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## Eligibility

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If you are an employee of the University (other than a student), have a normal work schedule of at least 50% of a full-time schedule, and have an appointment or expected period of employment of nine months' or more, you are eligible for the BU Retirement Plan.

As an eligible employee, you are automatically enrolled in the plan beginning on the first day of the month in which you complete two

years of service with the University. A year of service is a 12-month period in which you are credited with at least 1,000 hours of service.

Any prior eligible service with Boston University will be applied toward your two-year waiting period. These provisions apply only to the eligibility waiting period.

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## Automatic Enrollment

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Once you complete two years of eligible service, you are automatically enrolled in the BU Retirement Plan.

University contributions made on your behalf are automatically invested in a Vanguard Target Retirement Date Fund which corresponds most closely to the year in which you will turn age 65.

You may change the fund in which your plan account is invested at any time by contacting Fidelity Investments.

Beginning July 1, 2021, all University contributions are invested exclusively through Fidelity Investments. However, you still have access to your TIAA investments

Your ability to change your investment choices, or transfer investments to or from one fund to another, depends on your initial choice of investments.

Some funds (such as TIAA's Traditional Annuity) have limitations on withdrawals; other funds may restrict investments in and out within a short time to prevent market timing or other manipulative practices. You should review the restrictions in each fund carefully before making your investment decision.

If you previously participated in another 403(b) plan or other type of

tax-deferred retirement plan (such as a 401(k) plan) with a previous employer, you may be able to roll over your account balances from that plan to the BU Retirement Plan, provided you meet the plan's rules and the rules of the record keepers. Human Resources can provide you with further information on rollovers.

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## Temporary Suspension of Employer Contributions

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Due to the COVID-19 pandemic, all employer contributions to the Plan were suspended for Fiscal Year 2021, from June 1, 2020 through July 31, 2021. This included the University Core, Matching, and Transition Contributions.

If you were eligible to participate in the BU Retirement Plan, you did not receive any University contributions during the suspension period, however, employment during this time did still count towards the two-year waiting period.

If you achieved two years of eligible service during the suspension period, you were automatically enrolled in the BU Retirement Plan and began receiving contributions when they resumed, beginning July 1, 2021.

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## The University Contributions

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The University contributions are comprised of a Core Contribution and a Matching Contribution. In addition, some employees are eligible to receive a Transition Contribution.

Once you become eligible for the plan, you automatically receive the Core Contribution regardless of whether you chose to contribute to the BU Supplemental Retirement

and Savings Plan. You will only receive the Matching Contribution if you are making salary deferral contributions to the BU Supplemental Retirement and Savings Plan. Finally, you are eligible to receive the Transition Contribution only if you were age 50 or more and were participating in the BU Retirement Plan on December 31, 2017, and your eligible compensation is less than \$180,000 in the current plan year.

#### University Core Contribution

Under the formula that became effective January 1, 2018, the University contributes an amount each payroll period equal to a percentage of your eligible compensation. The contribution percentage varies according to your age and compensation, as follows:

When Your Age Is	The University Contributes
Under 45	4% of your eligible compensation up to the Integration Level PLUS 6% of your eligible compensation above the Integration Level
45 through 49	6% of your eligible compensation up to the Integration Level PLUS 8% of your eligible compensation above the Integration Level
50 and above	7% of your eligible compensation up to the Integration Level PLUS 9% of your eligible compensation above the Integration Level

*If you have not made your own investment choices, Core Contributions credited to your plan account are automatically invested in a Vanguard Target Date Fund that most closely*

*corresponds to the year in which you will turn age 65.*

The following terms are important to understand the way contributions work under the BU Retirement Plan:

**Eligible Compensation** Eligible compensation includes your eligible compensation from the University and, if applicable, any stipend or other payments coded for payroll purposes as benefits-based overbase payments, excluding overtime, one-time payments, other overbase payments, commissions and bonuses, or the value of any employee benefits.

Federal tax law limits the maximum amount of compensation that a BU Retirement Plan may take into account for contribution purposes each year. This annual limit for 2025 is \$350,000. The limit is increased from time to time in \$5,000 increments. Please refer to the Human Resources website at [www.bu.edu/hr](http://www.bu.edu/hr) for updated amounts in subsequent years.

**Integration Level** The integration level is \$70,600 for 2025. It is adjusted each calendar year based on the Wage Base Increase calculated for purposes of the Social Security law, or the increase in the Consumer Price Index (Wages), whichever is smaller. Please refer to the Human Resources website at [www.bu.edu/hr](http://www.bu.edu/hr) for updated amounts in subsequent years.

An adjustment in the University's contribution percentage based on a change in your age is made at the beginning of the month in which you attain the new age.

#### University Matching Contribution

After two years of eligible service, the University will automatically

match your salary deferral contribution to the BU Supplemental Retirement and Savings Plan dollar-for-dollar, up to 3% of your eligible compensation.

If you chose to contribute 3% of your eligible compensation to the BU Supplemental Retirement and Savings Plan, your total potential University contribution is as follows:

When Your Age Is	The University Contributes
Under 45	7% of your eligible compensation up to the Integration Level PLUS 9% of your eligible compensation above the Integration Level
45 through 49	9% of your eligible compensation up to the Integration Level PLUS 11% of your eligible compensation above the Integration Level
50 and above	10% of your eligible compensation up to the Integration Level PLUS 12% of your eligible compensation above the Integration Level

*If you have not made your own investment choices, Matching Contributions credited to your plan account are automatically invested in a Vanguard Target Date Fund that most closely corresponds to the year in which you will turn age 65.*

#### University Transition Contribution

You are eligible to receive the University Transition Contribution *if and only if* on December 31, 2017 you were: (1) age 50 or more; and (2) a participant in the BU Retirement Plan. If you are an eligible participant, the University will make a special



contribution on your behalf for a Plan Year in which your eligible Compensation is less than \$180,000. If your eligible plan compensation is \$180,000 or more, you will no longer be eligible to receive this contribution. The amount of the transition contribution will be equal to 1% of your eligible compensation for the Plan Year, provided that the aggregate amount of your Transition Contribution plus your Core Contribution may not be more than \$14,822 in 2025. In the case that your core and 1% transition contribution exceed \$14,822, your 1% transition contribution will be decreased to equal the difference between your core contribution and \$14,822.

*If you have not made your own investment choices, Transition Contributions credited to your plan account automatically invested in a Vanguard Target Date Fund that most closely corresponds to the year in which you will turn age 65.*

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### Investment Choices

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The Boston University Retirement Plan is intended to be a participant-directed plan as described in Section 404(c) of the Employee Retirement Income Security Act of 1974 as amended (ERISA) and Department of Labor regulations governing section 404(c) plans. Therefore, fiduciaries of Boston University Retirement Plan are relieved of liability for any losses that are the result of investment instructions given by a participant or beneficiary under the participant-directed investment feature of the Boston University Retirement Plan. In other words, you choose how contributions to your accounts will be invested from among the investment

options available to you under the Plan. Since you choose the investment options for the account, you bear the risk for the investment results.

You should consult a professional financial advisor for investment advice and financial planning assistance before choosing an investment option. Further information may be obtained directly from the Plan record keeper. You should read the prospectus or other information carefully before investing.

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### Selected Investments

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The investment fund groups currently offered under the BU Retirement Plan are the Vanguard Target Retirement Funds, Core Mutual Funds, and Core Annuity Accounts. These funds were chosen by the University in order to provide participants with the option of managing their own asset allocations or allowing professional investment managers to balance the investments.

To obtain a detailed description of the investment options available, please contact Fidelity at 1-800-343-0860.

#### Tier 1: Target Date Funds

**Investing Style: Diversified portfolio within a single fund that shifts its emphasis to more conservative investments as the year of retirement nears.**

*Target-date funds are designed for participants who prefer a single fund solution that includes a mix of stocks, bonds, and short-term assets. Each of the funds creates a diversified portfolio within one fund, based on your*

*expected retirement year (the “target dates” of the fund), or the year in which you turn age 65. These funds automatically rebalance between stocks and bonds to become more conservative as you approach retirement and are also the plan’s Designated Default Investment..*

#### Tier 2: Passively Managed Equities

**Investing Style: A broad selection of equity index funds designed to mirror a market index or benchmark.**

*Passively managed funds – commonly known as “index funds”- seek to approximate their benchmark’s performance, rather than beat their benchmarks. A benchmark is what the investment’s return are compared to in order to measure performance. Because the objective is to simply mirror the holdings and return of an index, less research is needed, transactions occur less frequently, and expenses tend to be lower than those of actively managed funds.*

*Ultimately, index funds are designed to provide exposure to a broad selection of securities at a relatively low cost. While these funds typically perform very similarly to the index they track, you should be aware that index funds cannot be expected to meet or bear the index’s performance. Tier 3: Capital Preservation and Income Funds.*

**Investing Style: A broad selection of funds that seek to preserve savings and generate income or produce returns that exceed the inflation rate.**

*Tier three funds include the New York Life Guaranteed Fixed Interest Account, which is a guaranteed fixed-return annuity is designed to provide you with a high level of principal*

*stability. In addition, it lets you convert your balance to a guaranteed stream of income when you retire (Any guarantees are subject to the claims paying ability of the issuer).*

*The remaining funds in Tier 3 focus on income generation and inflation protection for investors who want to produce a growing income distribution while leaving the principal alone or returns that exceed the inflation rate so investors can build future purchasing power and wealth.*

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#### Other Investments

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##### **Tier 4: Self-Directed Brokerage**

***Investing Style: For investors who want additional choice and investment flexibility.***

Fidelity BrokerageLink® is a self-directed brokerage option, that combines the convenience of the BU Retirement Savings Program with the additional flexibility of an individual brokerage account. If you are a more engaged investor looking for additional investment selection and flexibility, a self-directed brokerage account gives you opportunities to invest in a wide range of mutual funds outside of the Plans' investment lineup.

While a brokerage account offers expanded flexibility, it also comes with additional personal responsibility and risk. The University does not select or screen these investments. That task falls to you.

#### Qualified Default Investment

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Under the BU Retirement Plan and the Supplemental Retirement and

Savings Plan (the "Plans"), any contributions for which you do not provide investment direction will be invested in the Plans' default investment fund (the "Plans' Designated Fund"). The Plans have selected the Vanguard Target Retirement Funds as the Plans' Designated Fund.

For a description of the Vanguard Target Retirement Funds, see "Investment Choices".

The Vanguard Target Retirement Funds are the Plans' Designated Funds and are intended to serve as "qualified default investment alternatives" that meet U.S. Department of Labor requirements. The Designated Fund is based on the assumption that a participant will retire at age 65. If you do not provide investment direction, your contributions will be directed to the Vanguard Target Retirement Fund most closely corresponding to the year in which you turn age 65, as determined by the University, based on your date of birth.

You have the right under the Plans to direct the investment of your existing balances and future University contributions to any of the Plans' available investment options, including the right to transfer out of the Plans' Designated Fund to another investment option. Unless you provide alternative direction, the University contributions and/or the portion of your account that is currently invested in the Plans' Designated Fund will continue to be invested in this option.

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#### Investment Restrictions

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There are certain restrictions on your investments. For complete, current details on restrictions, you should

refer to the printed materials available from each of the record keepers. Following are explanations of some of the important restrictions.

The following rules apply to how future contributions to the BU Retirement Plan are invested:

1. You may choose to have any percentage of your contributions contributed to the funds available through Fidelity \
2. You can change your investment choice of where to invest future contributions at any time.

The following rules apply for moving account balances from one record keeper to another:

1. For a TIAA Group Retirement Annuity Contract (GRA) issued after June 1, 2005:

While you are employed at the University transfers can be made out of the TIAA Traditional accumulations into investments available through CREF or Fidelity by use of a transfer payout annuity over a nine-year period. At termination of service, transfers may be made from the TIAA Traditional accumulation to investments available through CREF or Fidelity over a five-year period, or, within the first 120 days following separation from service, in a lump sum, which is subject to a 2.5% surrender fee.

For a TIAA Retirement Annuity Contract (RA) issued prior to June 1, 2005:

Transfers can be made to TIAA- CREF Stock or the Money Market, into investments available through

Fidelity by use of a transfer payout annuity transferred out over a nine-year period.

1. Transfers out of CREF investments into Fidelity investments and TIAA Traditional y may be made in any amount at any time.
2. Transfers among the fund options available through Fidelity may be made at any time, but a fee may be charged if more than four transfers are made in a calendar year.

Other restrictions or requirements may apply. See the disclosure materials for any investment option you are considering.

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#### Statements of Your Accounts

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You will receive quarterly statements by mail or online.

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#### Contribution Limitations

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Internal Revenue Code Section 415 places a limit on the total amount which may be contributed by the University and by you (before-tax, after-tax Roth, and any other after-tax non-Roth contributions) in a calendar year. If the sum of your contributions to the BU Retirement Plan and the University's contributions to the BU Retirement Plan exceed any of the limits, certain IRS-mandated reductions apply.

Lastly, matching contributions by the University are subject to the requirements of Internal Revenue Code Section 401(m). If these requirements are not satisfied, matching contributions for certain participants may have to be reduced. If the 401(m) limitation should affect you, any amounts that would be reduced or returned on your behalf

will be returned and mailed to you in the form of a check by your record keeper. This amount will be treated as taxable income, and you will receive a Form 1099 for the tax year in which you receive the returned contributions from your record keeper for tax filing purposes.

Refer to "How Much You and the University Contribute" for further contribution limitations.

Note: Special rules and limits apply if, during a calendar year, you also participate in another plan maintained by a business you own or control. For example, if you have consulting or other self-employment income and participate in a self-employed plan to which you make contributions, the special rules may affect you. If this situation applies to you, consult a qualified tax professional for advice.

Human Resources will assist you in calculating the limits that apply to you.

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#### In-Plan Roth Conversion

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You may elect to convert all or a portion of your previously contributed employee Roth 403(b) contributions to the BU Retirement Plan Account (other than your Roth Contribution Account) to a Roth Contribution Account as an In-Plan Roth Conversion. This conversion occurs within the BU Retirement Plan. You do not receive a check and then contribute it to the BU Retirement Plan. Note that the conversion is a taxable event but converting to a Roth Contribution Account can be beneficial if you expect your tax rate to increase in the future. You should consult a tax advisor to better understand the consequences of an In-Plan Roth

Conversion before you make the decision to convert your Account.

You may take a distribution from your previously contributed employee Roth Account contributions funds only if you are eligible, otherwise your funds are subject to the rules of the BU Retirement Plan. An eligible distribution is (i) a distribution to an active Member on or after attaining age 65; (ii) a distribution made upon termination of employment, becoming disabled, or retirement; (iii) a distribution upon the Member's death; or (iv) any distribution that would otherwise qualify as an eligible rollover distribution.

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#### Forms of Payment

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Your BU Retirement Plan benefits will normally start when you retire, or you may also start your benefits once you reach age 65 regardless of whether you are retired or still employed.

You have some choices as to the form of payment of your retirement benefits. However, if you are married and you elect an annuity form of payment, federal law provides that you must receive your benefits in the form of a 50% Joint and Survivor Annuity, with your spouse as beneficiary, unless your spouse agrees in writing to your choice of another annuity form of payment. Your spouse's signature must be witnessed by a plan representative or notarized by a notary public.

Particularly if you have large plan account balances (or other BU Retirement Plan accumulations, including other 403(b) arrangements, employer-qualified plans, or IRAs), your choice of a form of payment may affect your tax and estate planning. Consult a qualified advisor if you have any questions.

## CARES Act Distributions

Under the Coronavirus Aid, Relief and Economic Security Act (CARES Act), a participant who is a “qualified individual” was eligible to take penalty-free withdrawals of up to \$100,000 from any funds available through Fidelity and any CREF investments from January 1, 2020, through December 30, 2020.

A “qualified individual” was one who:

- is diagnosed with the virus SARS-CoV-2 or with coronavirus disease 2019 (COVID-19) by a test approved by the Centers for Disease Control and Prevention,
- has a spouse or dependent diagnosed with such virus or disease, or
- experiences adverse financial consequences as a result of:
  - being quarantined, being furloughed or laid off, or having work hours reduced due to COVID-19, being unable to work due to lack of childcare due to COVID-19, or other factors as determined by the Secretary of the Treasury.
  - having a reduction in pay, or a job offer rescinded or start to a job delayed, due to COVID-19
  - having a spouse or member of the individual’s household being quarantined, being furloughed or laid off, having a reduction in pay, or a job offer rescinded or start to a job delayed, or having work hours reduced due to COVID-19, or being unable to work due to lack of childcare due to COVID-19
  - the closing or reducing or hours of a business owned

or operated by the individual’s spouse or a member of the individual’s family due to COVID-19.

### Descriptions of the forms of payments

**Lump Sum** You may elect to receive a lump sum distribution from any funds available through Fidelity and any CREF investments for the full value of your accounts at the time of the payment.

**Installment Withdrawal Program** As an alternative, you may elect to maintain your account balances with any funds available through Fidelity and any CREF investments and receive periodic withdrawals from your account until you have exhausted your account balances. You may designate the amount and the frequency of these withdrawals (subject to certain minimums required by the tax law).

**Rollover** You may also elect to roll over all or a portion of the account balances in any funds available through Fidelity and any CREF investments into an individual retirement account (IRA) or another plan you participate in that accepts rollovers, provided you meet certain tax law requirements. If you wish, you may use the proceeds of your account to purchase an annuity through TIAA or another insurance company. Please see Income Solutions, an online annuity comparison tool for more information on annuities. You may wish to consult with your financial advisor before selecting this option.

## TIAA Traditional

For Group Retirement Annuity (GRA) contracts issued after June 1, 2005, TIAA Traditional accumulations may be taken over any period between five to thirty years (subject to IRS restrictions). At the end of the fixed period chosen payments will end.

### Annuity Options

If you wish, you may use the proceeds of your account to purchase an annuity. Please see Income Solutions, an online annuity comparison tool for more information on annuities. You may wish to consult with your financial advisor before selecting this option.

You also have TIAA or CREF Annuity payment options available to you. Information on these annuity options is available at the following link:

<https://www.tiaa.org/public/retire/services/preparing-for-retirement/income-options/employer-plan>

### Required Minimum Distribution

Under federal tax law, if you attained age 72 on or before December 31, 2022, you are required to begin required minimum distributions by April 1 following the later of: (1) the calendar year in which you attained age 72, or (2) the calendar year in which you terminated employment with the University.

Under the required minimum distribution requirement, if you have multiple 403(b) accounts, you may calculate your required minimum distribution for each 403(b) accounts, total the amounts, and take the total



required minimum distribution from any one or more of your 403(b) accounts.

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#### Your Spouse's Rights

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If you are married and choose any annuity method of payment other than a Survivor Annuity with your spouse as the survivor, your spouse must give written consent which acknowledges that his or her rights to survivor benefits are being waived. Your spouse's signature must be witnessed by a BU Retirement Plan representative or notarized by a notary public.

Under federal law, if you are married at the time of your death, your spouse is entitled to receive, as primary beneficiary, your qualified preretirement survivor death benefits under a retirement or tax-deferred annuity plan covered by ERISA. If you name someone other than your spouse as primary beneficiary, your spouse must consent to this primary beneficiary designation by completing a Spousal Waiver. Then the qualified preretirement survivor death benefits will be payable to such primary beneficiary. If you elected only a portion to be paid to the designated beneficiary, then the remainder will be payable to your spouse.

If you designate your spouse as beneficiary and the individual later ceases to be your spouse, such designation will be deemed void and your ex-spouse will have no rights as a beneficiary unless redesignated as a beneficiary by you subsequent to becoming your ex-spouse or as otherwise provided under a qualified domestic relations order under Internal Revenue Code Section 414(p).

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#### If You Die Before You Begin to Receive Benefits

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If you die before your retirement income begins, the current full value of your account balances in all investment options will be payable to your beneficiary under any of the payment options elected by the beneficiary and allowed by the record keeper (subject to the federal income tax laws described in more detail below ).

You choose a beneficiary at the time you enroll in the BU Retirement Plan, and you may change your beneficiary at any time by completing a new form through Fidelity and/or TIAA. However, if you are married, federal law requires that your spouse be your beneficiary unless your spouse consents in writing to your naming another beneficiary and this consent is witnessed by a BU Retirement Plan representative or notarized by a notary public.

If your marital status changes after you become a participant in the BU Retirement Plan (you marry, divorce, or separate, or your spouse dies), be sure to contact Human Resources immediately to make any appropriate changes in your designated beneficiary. If you are divorced and then re-marry, your prior beneficiary designation(s) will become invalid and your current spouse will automatically become your beneficiary unless you designate another beneficiary with your current spouse's written consent (witnessed by a Plan representative or notary public).

Current federal income tax laws contain several requirements regarding the distribution of your account balance after you die. If your

designated beneficiary under the BU Retirement Plan is your surviving spouse, a minor child (until reaching the age of majority), is chronically ill, or is not more than 10 years younger than you, your benefits may be paid over the course of your beneficiary's life expectancy. Other beneficiaries designated under the BU Retirement Plan must receive the entire value of your accounts within ten years of your death. Beneficiaries that are not designated under the BU Retirement Plan (for example, your estate and certain trusts) must generally receive the entire value of your accounts within five years of your death.

Generally, annuity or installment payments must begin within one year of your death. However, if your spouse is your sole designated beneficiary, he or she may postpone the start of benefits until a later date, but until no later than the date on which you would have reached age 72.

Your beneficiary may receive a lump sum distribution of the account balances, roll over your account balances into an IRA or other plan with payments under IRS minimum distribution rules, or receive the full value of the account over the maximum distribution period.

In addition, you may choose one of the following options, for payment of the death benefit of your TIAA Traditional or CREF investments, or you may leave the choice to your beneficiary.

1. Income for the life of the beneficiary with payments stopping at the time of his or her death
2. Income for the lifetime of the beneficiary, with a minimum

number of payments guaranteed in any event. The period of guaranteed payments must be 10, 15, or 20 years (subject to IRS rules).

3. Income for a fixed period of years (subject to IRS rules)
4. Subject to IRS rules, the accumulation may be left on deposit with TIAA for future payment under any of the above options
5. A lump sum distribution of the account balances or rollover into an IRA or other plan with payments under IRS minimum distribution rules

Federal pension legislation requires that if you die leaving a surviving spouse and have not named a beneficiary, all of your death benefit will be paid to your spouse. The selection of a beneficiary and the form of payment to the beneficiary should you die can have important income and estate tax consequences. See a qualified advisor if you have questions about these subjects.

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#### Required Minimum Payment Rules

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Under federal tax law, if you attained age 70½ on or before December 31, 2019, you are required to begin required minimum distributions by April 1 following the later of: (1) the calendar year in which you attained age 70½, or (2) the calendar year in which you terminated employment with the University.

If you attained age 70½ in 2020 or later, you are required to begin required minimum distributions by April 1 following the later of: (1) the calendar year in which you reach age 72, or (2) the calendar year in which you terminate employment with the University.

Under federal tax law, if you attained age 72 on or before December 31, 2022, you are required to begin required minimum distributions by April 1 following the later of: (1) the calendar year in which you attained age 72, or (2) the calendar year in which you terminated employment with the University.

withdraw funds from their retirement accounts.

Under this requirement, if you have multiple 403(b) accounts, you may calculate your required minimum distribution for each 403(b) accounts, total the amounts, and take the total required minimum distribution from any one or more of your 403(b) accounts. If you do not receive or start your payments on time or if the payments are less than the required minimum amount, you will have to pay a federal tax penalty of 25 of the amount that was required to be distributed but was not distributed (unless you show reasonable cause to the Internal Revenue Service). See the “Forms of Payment” section for your choices.

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#### If You Become Disabled (Contribution Waiver)

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If you become disabled and start receiving benefits under the Boston University Long Term Disability Plan or SSDI, the University will continue to make its Core Contribution to the BU Retirement Plan on your behalf.

While you are receiving disability benefits, your University Core Contributions will be based on your annual base salary or basic hourly rate when you became disabled. Your eligibility for University Core Contributions will continue as long as

you remain disabled, but not longer than five years.

The University pays the entire cost of this protection for you.

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#### If You Leave the University

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If your employment with Boston University ends at any time before you attain age 65, you are fully “vested” in all your BU Retirement Plan account balances. You will be entitled to receive payment of your accounts as follows:

1. You may elect to receive a lump sum distribution of your moneys invested through Fidelity or CREF.
2. You may roll over moneys invested through Fidelity or CREF to an IRA or other plan that accepts rollovers, provided that you meet federal tax law requirements.
3. You may leave funds on deposit for distribution at a later date. Under current tax laws, payments must start by the April 1 following the calendar year when you reach age 72. You may not make contributions directly to your accounts.

For TIAA Retirement Annuity (RA) contracts issued prior to June 1, 2005:

- (a) If your TIAA Traditional accumulation is less than \$2,000 in value, you may apply for a lump sum distribution of the full value of your account. You may then roll over your lump sum payment into an IRA or other plan that accepts rollovers, provided you meet federal tax law requirements.
- (b) If your TIAA Traditional accumulation is at least \$2,000 in value, you may begin receiving lifetime annuity payments or elect

TIAA's Transfer Payout Annuity. Under current tax laws, payments must start by the April 1 following the year in which you reach age 70½ or upon retirement, whichever is later.

For TIAA Group Retirement Annuity (GRA) contracts issued after June 1, 2005:

a) If your TIAA Traditional accumulation is less than \$5,000 in value, you may apply for a lump sum distribution of the full value of your account. You may then roll over your lump sum payment into an IRA or other plan that accepts rollovers, provided you meet federal tax law requirements. No withdrawal charge applies.

(b) If your TIAA Traditional accumulation is at least \$5,000 in value, you may apply for a lump sum distribution of the full value of your account within a 120-day period following your termination of employment. A withdrawal charge of 2.5% applies to such lump sum withdrawals. You may then roll over your lump sum payment into an IRA or other plan that accepts rollovers, provided you meet federal tax law requirements.

(c) You may receive a fixed-period annuity of five to thirty years (subject to IRS restrictions).

The rights of your spouse, which were described earlier (see "Your Spouse's Rights"), also apply to the choice of a form of payment for benefits due when you terminate your employment with the University.

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#### Tax Considerations When You Receive Benefits

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Federal and state income tax must be withheld from the taxable portion of all BU Retirement Plan benefits you or your beneficiary receive, unless you or your beneficiary elect otherwise (but see the last paragraph of this section for an exception).

Under current federal law, ordinary income tax applies to payments to you from your accounts.

In addition, a 10% penalty tax applies to all payments you receive before you reach age 59½, except certain payments in the form of an annuity. The 10% penalty tax does not apply if payments are received because of your death, disability, or early retirement at age 55 or older; or in connection with a Qualified Domestic Relations Order; or in amounts which do not exceed your tax-deductible medical expenses or certain amounts spent for health insurance in the event of your extended unemployment.

You may be able to postpone payment of taxes if you are able to roll over your BU Retirement Plan distribution to an IRA or other plan that accepts rollovers.

Any contributions in the Retirement Plan may be rolled over to an IRA or another 403(b) arrangement or qualified plan that accepts such contributions in order to continue earning tax-deferred interest on investment gains.

All cash distributions from the BU Retirement Plan, except those payable as an annuity or in periodic installments for at least 10 years, those payable to non-spouse beneficiaries, and those mandated by minimum distribution rules, will be eligible for direct rollover to an IRA or

another plan that will accept them. If these distributions are not directly rolled over to an IRA (or to another employer 403(b) plan that will accept them), they will be subject to mandatory 20% federal income tax withholding.

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#### Leaves of Absence

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If you are granted a leave of absence at full pay, the University's Core and, if applicable, Matching contributions to the BU Retirement Plan will continue. If you are granted a leave of absence at partial pay, the University's Core and, if applicable, Matching contributions will be based on your reduced eligible compensation.

Contributions will stop if you are granted an unpaid leave of absence. However, they will start again, automatically, with the first paycheck you receive when you return.

If you are granted a military leave of absence, upon your return while you are protected by the veterans' reemployment laws, the University will contribute to the BU Retirement Plan an amount representing the Core contributions that would normally have been made during your military leave. The University Matching contribution will also be made provided you make the salary deferral contributions to the BU Supplemental Retirement and Savings Plan.

Remember, if you leave work for any reason for a prolonged period of time, you should always contact Human Resources to ask what effect your absence may have on this and other University-sponsored benefits plans.

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#### Administrative Fees

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## Fidelity

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A Member with an account at Fidelity will be assessed a fixed quarterly fee, which will be deducted directly from the Member's account and reflected on his or her Fidelity participant account statements. For the most up to date information on this fee, please visit

[www.bu.edu/hr/finances/retirementplan/plancosts/](http://www.bu.edu/hr/finances/retirementplan/plancosts/).

At distribution, certain Fidelity funds may charge a redemption fee. These fees are described in the fund prospectus. In addition, expenses related to mutual fund management are assessed before mutual fund earnings are credited to your account.

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## TIAA

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A participant with a legacy account at TIAA pays recordkeeping fees through "plan services expense offsets." Plan Services Expense Offsets are determined by TIAA in its capacity as a recordkeeper and notionally represent a portion of the Administration and Distribution expense ratio related to plan services. Any Plan Services Expense Offset is included as part of each investment option's expense ratio (it is not in addition to the expense ratios).

TIAA's recordkeeping fee is automatically deducted from the plan service expense offsets generated by your TIAA or CREF investments each quarter. All plan services expense offsets generated by

TIAA investments are credited back to your account, less the recordkeeping fee assessed by TIAA. If the plan services expense offset amount your investments generate is equal to or less than TIAA's quarterly recordkeeping fee, no plan services expense offsets will be credited back to your account.

Subject to the terms of the plan, lump-sum withdrawals from the TIAA Traditional Annuity held in Group Retirement Annuity (GRA) accounts (in the Boston University Retirement Plan) are available only within 120 days after termination of employment and are subject to a 2.5% surrender charge. All other withdrawals and transfers from the TIAA Traditional Annuity must be spread over ten annual installments (over five years for withdrawals after termination of employment).

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## Loss of Benefits

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There may be circumstances which may result in a reduction in the value of your account(s), such as:

- The fees/redemption charges (described above) that relate directly to your investments will be deducted directly from your account.
- A payment from your account was required under the terms of a Qualified Domestic Relations Order.
- The value of the investments in your BU Retirement Plan account could decrease in response to market conditions.

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## How to Begin Benefit Payments

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You should contact your record keeper for a distribution form. They have counselors who will provide you with information that may help you in deciding which distribution option best meets your financial needs.

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## Appealing a Denial

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If you or your beneficiary apply for benefits and your claim is denied, in whole or in part, you may consult Human Resources for information about how to appeal the denial.

Additional information about appealing a denial of benefits is included in the "Administrative Information" section of this handbook.

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## Other Important Information

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Contributions to the BU Retirement Plan are subject to the provisions and limitations of the Internal Revenue Code and IRS regulations and rulings, including the contribution limits in Internal Revenue Code Sections 402(g), 401(m), and 415.

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## Correction of Mistakes

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All University contributions to the BU Retirement Plan must be used for the benefit of Plan Members and beneficiaries. Once made, the contributions cannot be taken back by the University, except if made as a result of a mistake of fact.

A mistaken excess contribution to your account by the University may be returned to the University.



If an adjustment is necessary to meet one of the tax law limits on contributions to your accounts, the Plan Administrator has the right to correct the mistake or make the necessary adjustment.

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#### Payments to Others

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Your rights under the BU Retirement Plan cannot be assigned or used as collateral, and your accounts are not generally subject to attachment or garnishment. However, under federal law, the BU Retirement Plan must honor a Qualified Domestic Relations Order from a court requiring payment to a divorced or separated spouse or for child support or a lien on your accounts for payment of overdue taxes and certain other specified types of liens and attachments. A copy of the Plan's Qualified Domestic Relations Order Procedures is available at no cost upon request to Human Resources.

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#### Termination of Participation

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Your participation in the BU Retirement Plan ends when you retire or otherwise terminate your employment with Boston University. From the date that your participation ends until your accounts are fully distributed to you, you will be considered a former Member.

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#### This Plan Is Not Insured by the PBGC

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BU Retirement Plan benefits are not guaranteed by the Pension Benefit Guaranty Corporation (PBGC), which does not cover plans such as this one with individual accounts for each participant. Upon termination of the

plan, you would be eligible to receive the total amount in your accounts.

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#### Administrative Information

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This plan is sponsored by the employer, Boston University, Boston, Massachusetts. Eligibility for the benefit plan described in this handbook applies to those University employees on the US payroll.

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#### Boston University's Employer Identification Number

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For identification purposes, the Internal Revenue Service has assigned number 04-2103547 to Boston University. You will need to know this number if you write to a government agency about any of the plans.

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#### Type of Plan, Plan Number, and Plan Year

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In addition to the University's Employer Identification Number, you need to know the following information:

- **Type of Plan:** The BU Retirement Plan is characterized by the federal government as a defined contribution plan and is intended to be tax-exempt under Section 403(b) of the Internal Revenue Code.
- **Plan Number:** Boston University has assigned Plan Number 002 to the BU Retirement Plan.
- **Plan Year:** The financial records of this plan are kept on a Plan Year basis. The Plan Year for The BU Retirement Plan is January 1 to December 31.

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#### Administrator for This Plan

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The day-to-day administration of this

plan is handled by Human Resources. However, if you have a question or a problem that cannot be resolved by Human Resources, you should contact the Plan Administrator.

The Plan Administrator can be reached by contacting:

Plan Administrative Committee  
The Trustees of Boston University  
25 Buick Street  
Boston, MA 02215  
Phone: 617-353-4489

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#### Funding and Administration of the Plan

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The BU Retirement Plan is funded entirely by contributions from Boston University. All Plan contributions are made to the Plan Trustees and are held in trust. The following Trustees for the Plan hold the Plan's assets and are responsible for paying benefits from the participants' accounts:

Fidelity Investments Tax-Exempt  
Services Company (Fidelity)  
82 Devonshire Street  
Boston, MA 02109  
Phone: 1-800-343-0860

Teachers Insurance and Annuity  
Association (TIAA)  
730 Third Avenue  
New York, NY 10017  
Phone: 1-800-842-2733

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#### Agent of Legal Service

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The agent for the service of legal process for this plan is:

University Counsel  
125 Bay State Road  
Boston, MA 02215

Legal process may be served on the Plan Administrator.

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### Claims for Benefits/Appealing a Denial of Claims for Benefits

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You may file a claim for benefits with the recordkeeper(s) for the Plan that hold your benefit account balance (Fidelity or TIAA). To initiate payment of your Plan benefits contact:

Fidelity Investments Tax-Exempt  
Services Company (Fidelity)  
82 Devonshire Street  
Boston, MA 02109  
Phone: 1-800-343-0860

Teachers Insurance and Annuity  
Association (TIAA)  
730 Third Avenue  
New York, NY 10017  
Phone: 1-800-842-2733

When you apply for benefits, there are time periods within which you must receive a decision on your claim for benefits. If you or your beneficiary applies for benefits and either part or all of the request is denied, you have the right to appeal that decision, provided the appeal is made in accordance with the provisions of the plan and applicable laws (e.g., appeals must be filed within required time periods).

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#### Claims and Appeals to the Plan Administrator

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Claims and appeals regarding benefits or other issues affecting plan participants or other persons for the Retirement Plan should be made to the University's Plan Administration Committee (the Plan Administrator).

For claims and appeals to the University's Plan Administration

Committee, the following procedures will apply.

If a claim for benefits is either wholly or partially denied, you will be notified in writing within 90 days after receipt of your claim (180 days if special circumstances apply). The notice will state:

- the reasons why the claim was denied,
- the specific references in the plan document that support those reasons,
- the information you must provide to verify your claim and the reasons why that information is necessary,
- the Plan's review procedures, including your right to bring a civil action following an adverse benefit determination on review,
- and the deadline for requesting review.
- After receiving the notice, you or your beneficiaries may request, in writing, a review of your claim by the University's Plan Administration Committee by submitting an appeal to:  
Plan Administration,  
c/o Plan Administrator, Boston  
University Human Resources, 25  
Buick Street, Boston, MA 02215.
- Your appeal of a denied claim must be submitted within 60 days after your claim has been denied. You (or your representative) may review Plan documents and submit issues and comments orally, in writing, or both.
- The Plan Administration Committee (or Senior Vice President and General Counsel)

will conduct a full and fair review of your claim and appeal, and notify you of the final decision regarding your appeal within 60 days (120 days if special circumstances apply) after your request for review is received. The decision will be in writing and will include:

- the specific reason or reasons for the adverse determination;
- reference to the specific Plan provisions on which the determination is based;
- a statement that you are entitled to receive, upon request and free of charge, reasonable access to and copies of all documents, records, and other relevant information; and
- a statement of your right to bring a civil action under section 502(a) of ERISA and a description of the limitations period provided by the Plan, including the date on which the limitations period will expire.

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### Documents and Laws Governing This Plan

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The plan description contained in this handbook was written from the documents that legally govern how the plan works.

In the event of any discrepancy

between the plan description in this handbook and the controlling contracts or plan documents, the language in the controlling contracts or plan documents will govern. If you would like a copy of any of these documents, please contact Human Resources.

The plan is also regulated by applicable provisions of applicable laws, which will govern in the event of any conflict between the law and the terms of the plan as described in either the documents or in this summary plan description.

#### Equal Opportunity/Affirmative Action Policy

Since its founding in 1839, Boston University has been dedicated to equal opportunity and has opened its doors to students without regard to race, sex, creed, or other irrelevant criteria. Consistent with this tradition, it is the policy of Boston University to promote equal opportunity in educational programs and employment through practices designed to extend opportunities to all individuals on the basis of individual merit and qualifications, and to help ensure the full realization of equal opportunity for students, employees, and applicants for admission and employment. The University is committed to maintaining an environment that is welcoming and respectful to all.

Boston University prohibits discrimination against any individual on the basis of race, color, religion, sex, age, national origin, physical or mental disability, sexual orientation, genetic information, military service, or because of marital, parental, or veteran status. This policy extends to all rights, privileges, programs, and activities, including admissions, financial assistance, educational and

athletic programs, housing, employment, compensation, employee benefits, and the providing of, or access to, University services or facilities. Boston University recognizes that that equal opportunity is a reality. Accordingly, the University will continue to take affirmative action to achieve equal opportunity through recruitment, outreach, and internal reviews of policies and practices.

The coordination and Implementation of this policy is the responsibility of the Director of Equal Opportunity. The officers of the University and all deans, directors, department heads, and managers are responsible for the proper implementation of equal opportunity and affirmative action in their respective areas, and they are expected to exercise leadership toward their achievement. It is expected that every employee of Boston University will share this commitment and cooperate fully in helping the University meet its equal opportunity and affirmative action objectives.

Boston University has developed detailed procedures, described in its *Complaint Procedures in Cases of Alleged Unlawful Discrimination or Harassment* ([www.bu.edu/eo/policies-procedures/complaint](http://www.bu.edu/eo/policies-procedures/complaint)), by which individuals may bring forward concerns or complaints of discrimination and harassment. Retaliation against any individual who brings forward such a complaint or who cooperates or assists with an investigation of such a complaint is both unlawful and strictly prohibited by Boston University.

Inquiries regarding this policy or its application should be addressed to the Director of Equal Opportunity, Equal Opportunity Office, 888

Commonwealth Avenue, Suite 303, Boston, MA 02215, or call 617-358-1796.

#### Amendment or Termination of the Plan

Boston University intends to continue maintaining the plan described in this handbook for the exclusive benefit of its employees.

However, the University reserves the right to change or discontinue it, and to implement changes as required by federal, state, or local laws.

You will be informed of any material changes that are made to the plans. If a plan is terminated, your rights, on the date of the termination, would be governed by the provisions of the plan document.

#### Your Rights Under ERISA

The Retirement Plan is subject to the Employee Retirement Income Security Act of 1974 (ERISA).

ERISA provides participants in the plan with certain rights and protections. The following statement is included here so that you will be aware of your rights under ERISA.

Under ERISA:

- You may examine, without charge, at Human Resources and at other specified locations, during normal business hours, all plan documents relating to the plans in which you participate. The documents that must be available for your review include insurance contracts, plan and trust documents, collective bargaining agreements, and all documents filed with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security

Administration, for example, detailed annual reports.

- If you wish, you may request your own copies of these plan documents by writing to Human Resources. Where permitted by law, you may have to pay a reasonable charge to cover the costs of copying.
- You will receive summaries of the plan's annual financial report each year, free of charge. The administrator for the plans is required by law to furnish each participant with a copy of the summary annual report.
- You may request a statement of your vested benefits under the Boston University Retirement Plan. This statement will be given to you free of charge and may be requested once each year.

#### *Plan Fiduciaries*

Besides giving you certain rights as a participant, ERISA places certain duties upon the people who are responsible for the management of the BU Retirement Plan. These people are called "fiduciaries" under the law, and they have the duty to act prudently and in your best interests.

Under ERISA, no one may fire you or discriminate against you to prevent you from obtaining a plan benefit or exercising your rights under ERISA.

#### *Enforcing Your Rights*

If your claim for a benefit is denied, in whole or in part, you must receive a written explanation of the reason for the denial. You have a right to obtain copies, without charge, of documents relating to the decision, and to appeal any denial all within certain time

schedules.

Under ERISA, there are steps you can take to enforce your rights. For instance, if you request materials from the plan and do not receive them within 30 days, you may file suit in a federal court. In such case, the court may require the Plan Administrator to provide the materials and pay you up to \$110 for each day's delay until you receive the materials, unless the materials were not sent for reasons beyond the administrator's control. If you have a claim for benefits that is denied or ignored, in whole or in part, you may file suit in a state or federal court. In addition, if you disagree with a plan's decision or lack thereof concerning the qualified status of a domestic relations order or medical child support order, you may file suit in federal court. If it should happen that plan fiduciaries misuse plan money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor or file suit in a federal court.

In a lawsuit, the court normally decides who pays the court costs and legal fees. If you are successful, the other party might have to pay. But, if you lose, the court might order you to pay these costs and fees, especially if the court finds your claim to be frivolous.

#### *Assistance with Questions*

If you have any questions about this statement of your rights under ERISA, contact Human Resources. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Plan Administrator, you should visit the U.S. Department of Labor's Employee Benefits Security Administration (EBSA) website at [www.dol.gov/ebsa](http://www.dol.gov/ebsa) or call their toll-free number at 1-866-444-3272.

You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

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#### *A Final Note*

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This handbook presents a summary of Boston University's benefits for faculty and staff and is intended to serve as the summary plan description for the Boston University Retirement Plan. It is designed as a quick reference source and is not intended to cover every point of policy. In certain instances, the University may exercise discretion, with respect to the administration of the plans described in this handbook. For more in-depth information, contact Human Resources.

Periodically, the University may make changes in policy that may not be reflected immediately in this handbook.

Again, for complete and up-to-date information about any policy or benefit, you should contact Human Resources.

Please note: The policies described in this SPD are not intended to create an employment contract between Boston University and its employees. Therefore, they do not alter the University's rights regarding discharges and layoffs.





